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THE POWER INVENTORY AND NATIONAL STRATEGY*

By STEPHEN B. JONES

> But, alas, what man does know and measure himself, and the things that are round him;—else where were the need of physical fighting at all?[1]

A FAMILIAR sight in the newspapers and weekly magazines is a world map (often, I regret to say, on the Mercator projection) on which population, oil production, or similar information is shown by rows of small men, barrels, or other appropriate symbols. These maps are often interpreted in caption or accompanying text as indices of national power. No one denies that such information is relevant to power, but no reader of this journal needs to be cautioned that such information is only a first step toward an evaluation. The present paper spells out that caution and tries to take another step or two. Its thesis is: An estimate of national power has two aspects which are related, in a figurative way, like the two rays of a triangulation. Either ray gives direction, but it takes the two to give distance. A better analogy, perhaps, is that of two searchlight beams groping through the dark until they intersect on the target. One ray or beam is the conventional inventory of the elements or factors of power. It gives the power resources of a nation, using "resource" in a broad sense. The other ray is here called "national strategy."

This thesis is not fundamentally original, except perhaps in presentation. Clausewitz (thinking only of military strategy, of course) wrote of superiority as a function of absolute strength and of the skillful use of that strength.[2] The Sprouts differentiate

* This paper has been prepared as part of a research project on national power sponsored by Yale University and the Office of Naval Research. All views expressed are the responsibility of the author, not the sponsors.

[1] Thomas Carlyle, *History of the French Revolution*, II, Book 5, ch. 5.

[2] Karl von Clausewitz, *On War*, tr. by O. J. M. Jolles, Infantry Journal Press edition, Washington, 1950, pp. 137-41.

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between the tools and techniques of statecraft,[3] and the distinction is implicit in other books.

Definition of Terms

"Power" is here defined as "that which permits participation in the making of decisions," a slight modification of the Lasswell-Kaplan definition.[4] This is perhaps not truly a definition; it tells not what power is, but what it makes possible. It has the virtues of including constructive uses and of saying that power is not solely material or possessed only by those who have a lot of it. Power, like radiant energy, can move in many directions at once. The interplay of British, American, and Russian power on Iran and the counter-radiation of Iranian power, through its ability to tantalize, frustrate, and play one great rival against another, show that even a state that comes near to being a vacuum, militarily, can exert a significant force.

"Strategy" is used with some misgivings, since the word has many meanings, from the strictly military one of the conduct of campaigns to such figurative usages as "the strategy of raw materials." It is defined here as "the art of using power for the attainment of goals in competition."[5] (The subordinate clause is perhaps implied by the main one.) The extension to other forms of power and other types of competition than military seems justified in this age of cold war and total effort. "Strategy" is preferred to "policy" for present purposes. Policy is more concerned with setting goals than with the art of attaining them—a distinction brought out by a modern revision of the ant-and-grasshopper story.[6]

"National strategy"[7] has been adopted in preference to "grand

[3] Harold and Margaret Sprout, *Foundations of National Power*, 2nd ed., New York, 1951, p. 40.

[4] Harold D. Lasswell and Abraham Kaplan, *Power and Society: A Framework for Political Inquiry*, New Haven, 1950, p. 75.

[5] "Strategy" is also used in the sense of "a strategy" or, as the dictionary puts it, "a kind or instance of it." The phrases "strategic plan" or "strategic program" would be more precise, but also more cumbersome, and the specific usage is well established.

[6] If any reader has not heard it, the story has the ants tell the improvident grasshopper that they will feed him if he will change himself into an ant. When he asks how he is to do this, the ants reply, "We're only laying down policy."

[7] The following definition of national strategy is used by the armed forces: "The art and science of developing and using the political, economic, and psychological powers

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strategy" or "global strategy," for a nation's strategy may be neither grand nor global.[8] To speak of national strategy does not imply a genre of strategy peculiar to a state, though, to be sure, no two states can have identical national strategies, if for no other reason than that they are geographically distinct. The national strategy is not necessarily wrought with logic. It may contain as much prejudice as plan. If a plan exists, rarely will it be consistently followed.

We use the term "resources" in a very broad sense, somewhat like the familiar reference to a man "calling up all his resources." In discussions of power, there may be some confusion among the terms "resources," "natural resources," "sources," "reserves," and "raw materials." "Resources" is the broadest of these terms. We use it to mean anything a nation has, can obtain, or can conjure up to support its strategy. The items of an inventory of power resources are commonly called either "elements" or "factors." There is, we believe, a shade of difference between these two terms. The distinction may not be important and probably will not be adopted by others, but in making it we may clarify a concept that will be useful later. An element is a basic, separable part, commonly thought of in terms of its own properties. A factor, in the words of the dictionary, is "one of the elements that contribute to produce a result." A factor is commonly thought of in terms of the specific whole of which it is a part, of what it does rather than what it is. One might say loosely that there are elements of potential power, factors of actual power, but both "potential" and "actual" need to be subdivided and clarified, as we attempt to do on a later page.

The concept we are endeavoring to establish is simply that inventories of power resources may contain items at several levels of organization. Morgenthau, for example, lists natural resources, industrial capacity, and military preparedness among his eight elements of national power.[9] This is no sin, of course.

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of a nation, together with its armed forces, during peace and during war, to secure national objectives" (*Dictionary of United States Military Terms for Joint Usage*, 2nd revision, April 1953).

[8] "Geostrategy"—a word of uncertain meaning—has also been avoided.

[9] Hans J. Morgenthau, *Politics Among Nations*, New York, 1951, pp. 80-108.

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A manufacturing firm would include in its inventory raw materials, semi-finished goods, and finished merchandise. The important point is that estimates of national power are made for comparative purposes and that valid comparisons are possible only if levels of organization are taken into account.

An inventory of power resources, or, briefly, a power inventory, could be a few lines or many pages in length. Taxonomists divide themselves into "lumpers" and "splitters" and the terms are appropriate here. An extreme lumper could compress the whole inventory into the familiar three factors of production of economics: land, labor, and capital. This is not to say that all power is economic. Even the older term, "political economy," is not broad enough to cover all the items of power, such as military competence and morale. But these items, though outside the conventional bounds of economics, may be considered either attributes of labor (using that term for all useful population) or mental capital.

The splitter will immediately go to work on this basic group. Land includes two categories of resources. One might be called "area resources," including the size and the shape of the country and immobile resources like landforms, soils, and climates. The other is the mobile mineral and biological resources. Location, sometimes considered an attribute of land by economists, will be treated later in another manner.

The factor of labor is perhaps better called "human resources." There are likewise two parts. First is population, considered as to number, age structure, and so forth. Second is what might be called "mental resources," the social, political, economic, and military systems of a country and the stock of skills, leadership, and patriotism.

Capital is better called "equipment resources," since it includes not only economic capital goods but also military equipment and the material apparatus of government. An additional item is supplies or stockpiles of consumable materials and goods —foods, metals, merchandise, munitions, etc.—and the financial stockpile of precious metals and credit.

There is of course a high degree of relationship among the

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items mentioned. Equipment is produced by organized skill operating on mobile natural resources. In turn, it may be used to extract further natural resources. Whether an ore deposit of marginal tenor is usable or not depends on skill, organization, and equipment. Leadership and patriotism are like enzymes in metabolism. In the final analysis, without them there is no power.

The foregoing paragraphs list resources as tangible as soil, as intangible as leadership, as measurable as population, as difficult to measure as patriotism. There is no common unit and no statistical summation is possible. Cost has been suggested as a measure of tangible items. Because of the importance of the budget in national housekeeping, there is a tendency to express many problems in terms of cost, but even as a measure of armaments it has its limitations. That a carrier might cost twenty times as much as a destroyer does not mean that twenty destroyers equal one carrier, in the operational sense. "Power value" rather than cost would be the significant figure if it could be measured, as sales value rather than cost is the real criterion for the inventory of a store. The Maginot line was costly, but its power value turned out to be nil. Cost is therefore not an adequate index of power. It does have its use as a "modifier" of inventory items, as will be discussed on a later page.

Even though one must give up the seductive hope that the power inventory can be summed up in dollars, kilowatt hours, or some other common unit, there remains the possibility that some key items may be used as rough indices of the probable total. The hope, of course, is to find measurable items that will so serve. Manpower of military age or the output of fuels, steel, or all heavy industry are some of the possibilities. Such data unquestionably are basic and under some conditions give a correct estimate of relative power. The longer a war lasts, the more likely are such data to be significant. They are particularly applicable when a country has limited access to external supplies. One could write a history of World War II in terms of supplies, with a measure of truth. But with far less than the whole truth: equally important is what was done with the supplies. Poverty of resources correlates with the weakness of Italy

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but does not explain the military failures against Greece or, for that matter, against the British at sea and in North Africa. Too little oil and too much intuition were long-run handicaps for Hitler, and it would be difficult to say which was the greater. Had his long-range strategy been sounder, he might have created a sufficient synthetic oil industry. Even in estimating potentials one must consider the strategic ray. To be sure, our analogy does not imply that the strategic ray is the more important, but only that *both* rays are important.

National income and its close relative, gross national product, have been considered possible indices of national power. They are operational in nature, rather than being inventory items, but this would be no disadvantage if they measure what can be done with a given inventory. For one thing, they give an idea of the dislocations to be expected from the diversion of resources from civil to military purposes. Their chief value is as tools, not as indices, however. Sherman Kent has commented adversely upon the search for indices of national power, and upon this use of national income data in particular.[10] He stresses the importance of fat, slack, and flexibility in the national economy.

That quantifiable items like manpower or the output of heavy industry or economic aggregates like national income cannot serve as indices of national power does not, of course, mean that quantification is useless. Much of science consists of efforts to narrow the range of guessing. Since there is, inevitably, a large element of guesswork in an estimate of national power, quantitative information is highly desirable for all items for which it is obtainable. But, for the same reason, there is no use refining quantitative data to a high degree.

Modifiers of the Power Inventory

If the power inventory is thus essentially a check-list, with some quantifiable items, it becomes desirable to run through the concepts that must be kept in mind when the check-list is used. If we take any item of the list of power resources, we find that a

[10] Sherman Kent, *Strategic Intelligence for American World Policy*, Princeton, 1949, p. 51 and n.

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chapter or a book or possibly a shelf of books can be written about it. It can be qualified almost without limit. We might start with population, for example, and find ourselves many pages later discussing the rate of training of civil defense workers in the use of Geiger counters. Such thoroughness may be necessary and desirable for some purposes—for a detailed mobilization program, for example. For general thinking about power, more generic concepts are desirable. These generic concepts we shall call "modifiers" of the power inventory. Not all the modifiers are applicable to every item of the power inventory, though with some imagination most of them can be applied. It may seem absurd to apply "motivation" to petroleum, for instance, but the motivation of the investors, management, and workers determines whether oil is produced or not. To return to the earlier attempt to distinguish between an element and a factor, motivation is essential to the petroleum industry as a factor of power.

One of the most obvious modifiers of the power inventory is quantity. In some commentaries on national power, quantity is the only modifier considered. That the United States produces three times as much steel as the Soviet Union closes the argument for some people. But quantity is a whole family of modifiers. Its principal genera are availability and change. Availability has two subdivisions, the space and time aspects. Spatial availability is summed up in the term "location." The effect of location on steel supplies is shown by the fact that the United States during World War II needed a third more steel for shipbuilding than for ordnance and other direct military uses.[11] Location has two subspecies, accessibility and mobility. To illustrate, Mackenzie River oil is highly inaccessible but highly mobile. The Canol pipeline (another non-combatant use of steel) did not improve the accessibility until after the need had passed. "Tonnage" ores like iron are less mobile than ores that can usefully be measured in pounds. Labrador iron ore probably could not have been made accessible during World War II even had the need arisen. Manpower is relatively mobile and with a man move his skills, but the mobility of manpower varies with culture.

[11] American Iron and Steel Institute, *Steel Facts*, October 1952.

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Aboriginal natives need fewer supplies than do more civilized troops and workers, but at the same time they may be more essential to the economy of their villages, which have no labor-replacing machinery.

The time aspect of availability appears in the familiar phrase "lead-time," which stands for the period required to convert plans into production.[12] Lead-time is a phase of the problem of potential power. That there is a difference between actual and potential power is obvious, but these two terms are too vague to be of much service. A geographer is likely to think of ore and fuel reserves when he hears the word "potential." An economist is likely to think of factories convertible to war production. A military man may think of the reserve corps or of mothballed ships. A fivefold classification of states of availability is here proposed: (1) power resources available immediately; (2) power resources available after activation; (3) power resources available after conversion; (4) power resources available after development; and (5) power resources available hypothetically.

Immediately available resources include such things as armed forces in being, munitions in depots, money or credit at hand. (There is of course a locational immediacy as well. A division in Germany and one in Texas are not equally immediate in availability for a given emergency.) Resources available after activation include such things as reserve troops and officers, mothballed ships, money and credit requiring legislation before use. Resources available after conversion include such things as factories suited for war production, and manpower untrained but adaptable to military or industrial service. This category is one that the United States has banked on heavily in the past, thanks to Britain, France, and the Atlantic Ocean. Resources available after development form another group that has given much comfort to Americans in the past but which is less comforting now. Such things as minerals known to exist but not in production

[12] Lead-time has a range of meanings. An artilleryman might think of it as the interval between placing an order and receiving the ammunition. An airman is more likely to think of the longer interval between conceiving a new airplane and the mass production of the final model. There is a different lead-time for each of the availability states discussed in this article, *infra*.

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and products known to be practical but not available in quantity, like synthetic rubber in 1942, are included. Hypothetical power resources remind one of the story of the diplomat who spoke most feelingly of his country's claims to some tropical territory. "It is full of rich resources," he exclaimed, "all undiscovered!" But hypothetical power should not be laughed at. The atomic bomb was hypothetical until 1945.

These availability states are of course not rigidly separated pigeonholes, but they do differ in kind as well as in degree. They should permit sharper thinking than do "actual" and "potential." A given power resource is not confined to one category. Many exist in all five states. Oil, for instance, may be immediately available in storage tanks. Idle wells and refineries may be activated. Non-essential use can be curtailed—this would be conversion. New wells may be drilled in proven fields—this is development—and favorable structures may be wildcatted on the hypothesis that oil exists in them. Intangibles like leadership can exist in all five states. How power resources are distributed through the availability series reflects the national strategy. The United States traditionally has left as much of its power as possible in the convertible and developable states. The trend is to push many items into higher states and to step up the pace of conversion and development.[13] Not even the most spartan of nations could keep all its resources in a condition of immediate availability, but simple trust in "the power and potential of American mass production" goes the way of the faith that a million Americans would spring to arms overnight if their country were attacked.

The term "potential" has another connotation than that of availability. It also implies the maximum sustainable rate of production, or, more precisely, of expenditure, of a given item of power. Maximum sustainable rates follow different rules, depending upon the nature of the resource, the time element, and

[13] It has been remarked that conscription was adopted during the Civil War, upon entry into World War I, before entry into World War II, and now appears to be a permanent institution. In another sphere, the *New York Times*, March 8, 1953, mentioned the opening of a watch factory so designed that it could shift without pause to the making of fuses.

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national strategy. Where natural resources are ample and the rate of production depends largely upon capital and labor, long-continued increases are possible, though perhaps at the cost of diverting capital and labor from other items. American steel production, for example, is capable of much further growth, if low-grade and foreign ores are utilized. In other cases, the maximum sustainable rate may vary with the period of time involved. The expenditure of manpower, if in excess of natural replacement, is an obvious example. To estimate the maximum sustainable rates of power expenditure therefore requires knowledge of both resources and their probable strategic use.

The availability states discussed above are closely related to three aspects of the national economy discussed by Sherman Kent: fat, slack, and flexibility.[14] Kent defines these terms as follows:

> By *fat*, I mean such things as some of the things Britain had at the start of World War II: extensive external assets, a large merchant marine, access to necessary raw materials and the credits to buy them without going into current production, a large and up-to-date supply of capital equipment, a large inventory of finished goods, a national diet of three to four thousand calories per day, etc. Important elements of German fat may be said to have existed in the excess capacity of machine tools, a large amount of brand new plant and new housing. The Italians had practically no fat, indeed little enough lean.
>
> By *slack*, I mean such things as the 40-hour week, twelve to sixteen years of education for youth, small proportion of women in the labor force, unemployment of both labor and capital, only partial utilization of equipment, etc.
>
> By *flexibility*, I mean the capacity of the economy to beat plowshares and pruning hooks into swords, and that in jig time. I mean the ability of technicians to make typewriter factories over into machine gun factories, and put the manufacturers of dry breakfast food into the shell-fuse business. I mean the ability to make synthetics from scratch where the natural sources have dried up.

"Fat" and "slack" correspond to "resources available after activation." Steel production, for example, is expansible in several ways. Plants may be operating below capacity. To activate this unused capacity would be taking up slack. Or they may be

[14] *Loc.cit.*

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operated temporarily above capacity by postponing repairs. This would be using up fat. "Flexibility" covers the two concepts of "conversion" and "development." The quotation from Kent illustrates both. Making war goods in typewriter and cereal factories is conversion. Making synthetics from scratch (if the basic processes are known and not hypothetical) is development. The difference is significant because the lead-time of change is likely to be greater for development than for conversion and the investment of money, manpower, and materials larger. The expansion of steel production by building new mills is development, and involves the temporary diversion of steel from other uses.

These terms can be applied to persons as well as to commodities or plants. The conversion of clerks into soldiers, of housewives into welders, is familiar. The longer process of producing physicians, physicists, or general officers is more appropriately called development. The population factor as a whole can be developed, as by the importation of labor, alliances, and public health measures. The long-term effect of pro-natalist policies on the birth rate is still somewhat hypothetical.

The importance of change in relation to quantity needs no emphasis. Change has two aspects, rate and range. Rates of production, mobilization, conversion, expansion, etc., need no discussion. Changes of rates, or accelerations and decelerations, are also important, and one may need to consider changes in the changes of rates. The higher derivatives of change are significant in demography, where one wishes to know not only the death rate, for instance, but whether it is rising or falling and how the rate of rise or fall is changing. Rates of resource accumulation or wastage are important. Secular changes of vast consequence may be taking place almost unperceived by untrained observers, such as soil erosion, climatic alteration, or the aging of the population. The range of change obviously applies to fluctuating quantities like temperatures or harvests. Better knowledge of the range of Russian winter temperatures would have aided Hitler in 1941-1942. Range may also apply to rates. There is an upper limit to the rate of oil production from a given field, for in-

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stance, beyond which recovery declines and salt water may intrude.

Rates and ranges of expansion are major considerations in estimating power. The expansion of American production during World War II surprised even optimists, though whether time will be available in a future conflict for similar expansion is debatable. Soviet recovery after World War II was also surprisingly rapid. Expansion has its converse, contraction. The ability to do without may be important in war. Many contractions are effected for the purpose of expanding or maintaining supply or effort in other lines or places. Rationing of gasoline to civilians permitted expanded military consumption. But expansion without concomitant contraction is of course possible, as in the activation of unused plants. Use of the electrolytic process of tinplating instead of the dipping process gave more plate from less tin, so that a reduced supply of a raw material was not reflected in an equivalent contraction of the product.

Substitution is another modifier of quantity. Substitution can be looked at from two sides. One can ask if an item in short supply can be replaced by a more abundant or a synthetic product, or one can ask if some item which is abundant may have other uses. We usually think of the former—glass for tinplate, synthetic for natural rubber—but the latter may be significant when weighing the power resources of other countries. An American thinks of potatoes as food, primarily, but they are an important source of industrial alcohol in the Soviet Union. Substitution of machines for men is a favorite American occupation. The high degree of automation possible in peace may be deceptive as to the possibilities in war, when destruction and disruption may make muscle-power indispensable. The reverse substitution of men for machines has its limitations also.

The doctrine of limiting factors in biology means, for example, that a plant needing nitrogen is not helped by an excess of phosphate. Man's ingenuity in finding substitutes makes this doctrine only loosely applicable to human affairs. Nevertheless, limiting factors do appear, particularly in war and under conditions of blockade and attrition. Substitution very often requires

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time and imports, which may not be available. The limiting factors may be rates. For instance, there was no doubt that the United States could create a synthetic rubber industry adequate for its needs. The question was whether it could be created in time.

The Quality Modifiers

Quality is a second family of modifiers. The two main branches of the quality family are the quality of materials and goods on the one hand, and of operation on the other. These terms are meant to apply very broadly. American schoolboys or African natives are materials in the present sense, having certain qualities in that condition. Trained as workers, soldiers, professional men, etc., they might be called goods, their qualities in that state depending not only on inherent vigor and intelligence and childhood environment but upon specific training. Operation is also used broadly, to include business management, military organization, and government.

Quality of course connotes the question, "How good?" For our study, the question really is, how well does something serve its strategic purpose? An example of the distinction is the use by the Communists in Korea of obsolete wooden-frame airplanes for night bombing, because these old planes give poor radar echoes.

Quality is often placed in opposition to quantity, the ideal of "the mostest of the bestest" being difficult to attain. It is not necessarily unattainable, however, and quality often has been improved while quantity was being increased. The *a priori* opposition of quality and quantity possibly dates from handicraft days. The Battle of Britain is often cited as a triumph of quality over quantity, British planes, pilots, and operations being considered superior to the German. Because of these qualitative superiorities and the fact that fighting took place over British soil, the Royal Air Force sometimes obtained local quantitative superiority.[15] A different relationship of quality and quantity can be illustrated by a famine-struck area. The difference be-

[15] Chester Wilmot, *The Struggle for Europe*, London, 1952, pp. 51-53.

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tween high- and low-grade wheat would mean little. Quality would be negligible in comparison with quantity and availability.

Change of quality must also be considered. This has three aspects, durability, obsolescence, and variation. Durability and obsolescence might be lumped as life expectancy of materials or goods. The significance of durability needs little elaboration. The United States was able to get through four years of war with its initial stock of private automobiles, in part because the cars proved durable beyond customary expectation. (Gasoline and tire rationing of course lengthened car life by reducing use.) The durability of railroad equipment, machine tools, and the like was important. Materials and labor needed for maintenance and replacement of non-combatant equipment of course must be drawn from the supply available for military use. Durability can be obtained at excessive cost and can be offset by obsolescence. Military equipment, however, is subject to very hard usage, and expenditures to increase its durability usually are justified. Breakdowns are likely to occur at the worst possible time and place when the equipment is overworked during an emergency.

High durability and low rate of obsolescence are major criteria of materials and goods that are to be stockpiled or mothballed. To judge when obsolescence has so reduced power value that goods should be scrapped requires something like clairvoyance. Brodie argues cogently against prematurely scrapping obsolescent naval ships, on the grounds that quantity may offset a modern qualitative inferiority.[16] The destroyer-for-bases deal of 1940 is a supporting illustration. Whether the great stock of slow Liberty ships is a real or an illusory asset in event of war is a question currently debated. Rommel repeatedly refers to the gradual obsolescence of his tanks relative to those of the British.[17] Rommel's victories actually increased his problems, for the Germans came to think him a miracle worker who could win with any weapons, while the British were compelled to replace lost

[16] Bernard Brodie, *Sea Power in the Machine Age*, Princeton, 1943, pp. 203, 334, 442-45.

[17] *The Rommel Papers*, ed. by B. H. Liddell Hart, New York, 1953, p. 245 and elsewhere.

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equipment and had fewer competing demands for their best tanks. There is perhaps more danger that obsolescent items will be rated too highly in terms of power than that they will be scrapped prematurely, but pruning the power tree of its fading branches does not strengthen it unless there is concomitant new growth. In the inorganic world of ships, tanks, and the like, new growth does not come spontaneously.

Variation in quality may involve the familiar phenomenon of "the weakest link." Ships in line of battle can steam no faster than the slowest vessel. One defective shell can jam a gun. All troops in combat may have to fall back if one unit gives way. In the first battle of El Alamein, Auchinleck directed major counter-attacks at Italian divisions, forcing the Germans to limit their own drives.[18] On the other hand, the phenomenon of "the strongest link" sometimes is encountered. Rommel's crack Afrika Korps saved many critical situations and kept the Italian army in battle long after it would otherwise have collapsed.

Variations in the quality of leadership—economic, political, military—are important modifiers of the power inventory and of course are difficult to assess. A change of leaders may change the power value of a military unit almost overnight. Even push-button warfare will require not only a man to push the button but, more important, a man to say when to push the button. This ineluctable individual factor may be overlooked in the power inventory because it cannot be treated statistically. It is apt to be neglected in the economist's or the geographer's approach to the study of power. Uncritical historians, on the other hand, may give too much attention to individuals. "The Gauls were not conquered by the Roman legions but by Caesar," said Napoleon, whose own history showed the potency of genius, but also that manpower, weather, and nationalism were not to be ignored.

Operation: Focus of Inventory and Strategy

When we speak of operation and of the quality of operation, we are at or near the common focus of the inventory and strategic

[18] *Ibid.*, pp. 252-54.

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beams of our opening analogy. We use "operation" in the broad sense of "the way things work."[19] How well things work is a major modifier of the power inventory. We can apply this concept of working quality to items in wide variety—a squad of soldiers, a mine, a factory, an army, the whole of an economic or political system. This aspect of quality may be illustrated by Russian experience in the first five-year plan, when modern factories were built but sometimes nothing came off the assembly lines.

Operation has two main parts, motivation and organization. Motivation—involving reward, punishment, loyalty, leadership—is essential even for the most prosaic effort. To return to the example of petroleum as a factor of power, the motivation of the seamen on tankers may be a critical matter. Motivation for the long-haul usually demands pecuniary or other material rewards. But material motivation is not enough; it has proved insufficient for high quality of work even in purely economic activities. In this respect, however, states may go to the other extreme. As has been said, without patriotism there is no power, but one cannot expect patriotism to replace pay checks year after year. Americans seem particularly reluctant to admit that political and military operation really works from the top down, though checked and criticized (in both senses of criticism) from below. Patriotism, luck, or *le bon Dieu* may not provide administrators of high quality if pay is inadequate.

Organization may be divided into control and integration. Control is essential in government, industry, or battle. Loss of control is a nightmare of the military commander and all sorts of communication devices are used to provide a mechanical guard against it. Control involves motivation. A General Patton might control where a weaker man might lose control. Control is necessary for a rationing system and for maintaining secrecy in government and the armed forces. Integration means how the

[19] "Operation" has the narrow military meaning of "a military action" and the broader one of any strategic, tactical, service, training, or administrative action. "Administration" was considered as a substitute for "operation" in the present paper, but was rejected because of its bureaucratic connotation and because, in military usage, it does not apply to strategic or tactical activities.

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parts of an organization mesh together. One aspect is illustrated by the integration of Negro troops into white units in the United States Army. This step multiplied many-fold the power value of the Negro soldiers and removed from them the stigma of "the weakest link." The operations of alliances are generally hampered by imperfect integration. The faulty integration of American railroads early in World War I led to intolerable congestion. The converse of congestion—shortages—may also arise from faulty integration, even when ample materials or goods are available.

The pace of operations is an important aspect of their quality. Equipment of high quality is necessary but not sufficient for fast pace. Whittlesey has pointed out that the time-dimension of human activities has three derivatives, velocity, pace, and timing.[20] A jet airplane may have a velocity near the speed of sound. The pace of air operations depends on many other velocities than those of airplanes. It depends, among other things, on the rate at which intelligence reaches the commander, on the rapidity with which plans are formulated and orders issued, upon the speed of servicing and repair. Pace—"the average tempo of trajections in a specified area"—may thus be more significant than velocity. The sluggishness of bureaucratic pace is notorious. Fortunately, it is also world-wide, though this does not permit us to be complacent about it. One purpose of war games is to step up the pace of operations that may some day be performed in the face of the enemy. Perhaps all branches of administration should hold war games.

Operational quality is roughly synonymous with some meanings of "efficiency" but not necessarily with that which relates output to input, if we measure output and input in conventional ways. Diplomatic operations of high quality are not necessarily economical of time or money. It is debatable whether the decision of 1953 to concentrate war production in the most efficient factories was wise or unwise as a long-run policy, since dispersal among more plants not only might decrease vulnerability but might permit faster acceleration of production in event of war.

[20] Derwent Whittlesey, "The Horizon of Geography," *Annals of the Association of American Geographers*, XXXV (March 1945), pp. 23-24.

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Vulnerability and Cost

Vulnerability is a modifier of the power inventory that of course now affects the innermost parts of the home front. The power value of two factories may depend, after war begins, more on their vulnerability than on their efficiency.[21] The vulnerability of Britain to air attack weakened Chamberlain's hand at Munich. Theoretically, the states with atomic weapons have the power virtually to blow each other to bits. Whether they will do so is debatable. Atomic warfare might resemble the strategy of the fleet-in-being, the threat of atomic weapons being used to tie up the resources of the opponent. Vulnerability will nevertheless be a factor, for the side that has attained the best defense against atomic weapons can make the most aggressive threats. Distressingly little attention has been paid to the reduction of vulnerability during the period of rapid construction since World War II. Some records have been stored in underground vaults, but little has been done to safeguard the really essential resources of labor and equipment, without which records have little meaning.

Simplicity is one of the classical principles of war. A major reason is the vulnerability of complicated operations, especially in the face of an active enemy. Simplicity is difficult to attain in industrialized war, in spite of modern methods of communication and control. Simplicity in plan may be obtainable only through complexity of control, as in assembly-line manufacturing. In industry, simplicity is not sought for itself but only if costs can be reduced or sales increased. In fact, the search for cheaper supplies or more extensive markets often results in complicated cross-hauling of materials and goods[22] and in duplication of delivery and marketing systems. Much of this complexity, efficient though it may be in a capitalistic economy in peace, would have to be eliminated in time of war, especially if the home front were heavily bombarded.

[21] To be somewhat facetious, one might list a sixth availability state, "available after bombardment."

[22] Edward L. Ullman, "The Railroad Pattern of the United States," *Geographical Review*, XXXIX (April 1949), pp. 254-55.

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Cost as an index of power or a measure of power value has been discussed on an earlier page. In spite of its limitations in these respects, it remains a significant modifier. In part, this is because of the subjective importance given to the cost of national defense by taxpayers and their Congressional representatives. There is a persistent clamor for social security and insurance sells steadily, but that national power is the most basic form of social security and insurance, without which the others are illusory, is commonly forgotten in time of peace. The subjective importance of cost is of course greatest in the democracies where public opinion is most effective in government.

Cost has objective as well as subjective importance. Cost, in relation to national power, implies the question, "How much of our resources are required to increase our supply of a given item, or its readiness for use?" Japan, for example, could build warships with cheaper labor than could the United States, but the cost in terms of available steel was proportionately greater to Japan. Japan could man a warship for a small part of the payroll of its American counterpart, but the oil for fuel came from a much more limited resource. World War II showed that most nations can sacrifice living standards for war to a degree hardly thought possible and that national bankruptcy can be staved off for years. Nevertheless, drain on resources is a reality, if replacement does not keep up with use. The attrition on manpower is perhaps the most obvious form, but drain on equipment, if there is insufficient reinvestment to maintain or replace it, may be serious.

The Strategic Beam

The power inventory has now been provided with a set of modifiers—a check-list for a check-list, so to speak. A question may arise: Are the modifiers so numerous and so indeterminate that they reduce the inventory to a pulp? This thought can be dismissed with little comment. So long as there is politics among sovereign states, there will be estimation of power. Even though the best estimates are only rough, they are better than reliance on intuition or emotion. It is true that the modifiers are warning

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signs rather than guideposts, that they point out traps rather than show where the path lies. Nevertheless, insofar as they conform to realities they should be useful. It may be significant that Klaus Knorr, in a parallel but completely independent study of war potential, to be published in book form,[23] uses a basic methodology that might be called that of inventory and modifier, though the resemblance to the present paper may not be obvious to anyone but the present writer. In this book, Knorr presents certain major factors in war potential and discusses the conditions and qualifications that govern their evaluation.

One of the most serious of the problems that beset the student of national power is how to avoid encyclopedism. The modifiers of the power inventory are no protection against this. In fact, the mechanical application of a check-list to a check-list would yield compound encyclopedism. Encyclopedism is likewise a problem in basic intelligence research. What facts to collect, in how much detail to present them, how far to go in evaluation without treading on the sacred ground of policy-making? These and similar questions plague the intelligence research worker. Roger Hilsman has challenged the encyclopedic method in intelligence and calls for workers to be "manipulative, instrumental, action-conscious, policy-oriented."[24] In terms of our analogy, what Hilsman appears to desire is that the intelligence worker get more light from the strategic beam and not work only by the inventory beam, where he is forever stepping into shadows. The aptness of this analogy will be attested by many who have worked in intelligence, though they may not be optimistic about the practical solution of the problem.

If one looks at power along the inventory beam, one is asking, "What have I?" If one looks along the strategic beam, one is asking, "What do I need?" Each question of course connotes the other, but most will agree that, as in personal finances needs run ahead of funds, among nations it is strategic needs rather than love of statistics that sets us counting our power resources.

[23] The writer wishes to thank Professor Knorr for permission to read his manuscript.

[24] Roger Hilsman, Jr., "Intelligence and Policy-making in Foreign Affairs," *World Politics*, v (October 1952), p. 44.

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This analogy can easily be strained, however. In the first place, neither the power inventory nor strategic needs can be expressed completely in monetary or even statistical terms. Second, the public purse is much more elastic than the personal one. A nation does not live on a fixed income, and it is production rather than the budget that really counts. Third, it is not so much a case of shifting one's line of sight from the inventory to the strategic beam as of looking along both. It takes binocular vision, so to speak, to see national power in full relief. What one can do is influenced by what one has, but what one has is influenced by what one does, in world politics at least.

This paradox, if it is one, will be discussed under four heads: (1) the harmony of resources and national strategy; (2) the augmentation, or reduction, of resources by national strategy; (3) the allocation of resources in relation to national strategy; and (4) the relativity of power in the light of national strategies.

Harmony of Inventory and Strategy

That national strategy must be in harmony with national resources may seem like a truism, but the statement is true only in a very general sense. It can be a very misleading doctrine if resources are considered to be a fixed sum and if national strategy is conceived in strictly military terms and only in isolation. The doctrine has been used by some isolationists, who argue not that the United States *can* isolate itself (by means of some wonder-weapon, perhaps), but that it *must* isolate itself because it cannot afford a broader strategy. One possible answer, of course, is to say that the broader strategy may be the cheaper in the long run. Walter Lippmann took a different tack: he held that a state must balance its commitments and its power,[25] but he goes on to say of the "true statesman": "Having determined the foreign commitments which are vitally necessary to his people, he will never rest until he has mustered the force to cover them." In other words, if two strategies appear equally good, we may choose

[25] Walter Lippmann, *U. S. Foreign Policy: Shield of the Republic*, Boston, 1943, pp. 9-10. He adds, "with a comfortable surplus of power in reserve."

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the cheaper, but if it is penicillin we need, aspirin will not do.[26]

Harmony of resources and needs may be all very well, but what if a state cannot muster the force to cover its vitally necessary commitments? One answer, too popular with Americans, is to recalculate the risks and cut the commitments. Another answer, popular with Americans and justifiably so if the limitations are realized, is to turn to science. The development of wonderful new weapons is much in mind, but should the brunt of war remain on the shoulders of the ground forces, even more important may be the use of science to augment natural resources. A kinder deity might have given this country limitless high-grade iron ore and never-failing oil wells, but we know of other ways to meet our needs, such as beneficiation of lean ores and the distillation of oil shales. But such expansion of resources does not come about automatically or with the ease of comic-strip art. It requires research, capital, labor, and time, all of which must be comprehended in the long-term national strategy.

Import and stockpiling programs are of course another way of augmenting a state's resources or of conserving domestic supplies. Since the United States has traditionally discouraged imports and since large stockpiles are uneconomic, in a business sense, such programs require a consciously strategic viewpoint.

A state may augment its resources through the acquisition of colonies or the formation of alliances. An alliance may be the only resort of a small state, short of outright annexation to a great power, by which it can "muster the force to cover its vitally necessary commitments." In estimating the power of an alliance, due consideration must be given to strategic aspects. The power of an alliance is never the simple sum of the power inventories of its members. The total may be much less than the sum if organization is weak or if the members cannot easily support each other. On the other hand, the joint power of the United States and Canada is potentially more than the sum of their separate resources, because together they form a coherent

[26] This analogy, while sound in principle, is difficult to apply. The choice of strategies may be more like the choice among medicines of uncertain therapeutic value for a disease not definitely diagnosed.

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block of North America reaching into the Arctic instead of splitting the continent along a long, weak boundary.

A state may augment its power by building up the power of its allies or, without an alliance, of its presumptive friends. This of course is an objective of American foreign aid programs. The motivation of foreign aid programs ranges from pure humanitarianism through the belief that sound independent nations are "safe" to the strictly military desire to build up foreign facilities and sources of supply. This last is sometimes called "geologistics" and augments resources by cutting down "transmission losses" and taking advantage of lower wages and prices.

Power resources can be reduced instead of augmented if the national strategy is unsound or obsolete. Clumsy diplomacy or a speech or act that is stupid in relation to foreign policy may cut national power or, looked at another way, may require an increased use of resources to achieve a given end. Wishful thinking plays a role in national strategy. A state's resources may be as effectively reduced by it as by the drainage of an oil field or a drop in the birth rate. Two ingrained American habits of mind are faith in machinery and a desire to pull back from overseas commitments. Any strategic theory that embodies or seems to embody these ideas is sure to find advocates. The popular enthusiasm for wonder-weapons finds support in these mental habits. Wishful thinking is by no means confined to the man-in-the-street and the professor-in-the-tower. The fateful conferences of Munich and Yalta show that statesmen are not immune.

The Problem of Allocation

One of the knottiest problems of national strategy is the allocation of resources, between private and governmental demands and among the various branches of the government. In a democratic country, such allocations are strongly influenced by habits, moods, and political pressures held or generated by the public. Certain clichés crop up. For instance, it becomes said that the civilian economy can bear only so much military or foreign aid expense. At bottom, this is a rationalization of American hedonism. Pushed to the test, a state must pay the price of

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victory or lose. If there is sufficient solidarity, spontaneous or enforced, civilian consumption can be pared to the bone.

The division of resources among the armed forces may bring up the cliché of "balance," which usually means that increases and cuts in the budget shall be equally shared.[27] Certain criticisms of "balance" are, however, not without clichés themselves. The argument is heard that air power has the greatest inherent capabilities of any arm, because of the velocity of its vehicles and their global, three-dimensional medium of operation; the air arm should therefore receive the lion's share of appropriations. The conclusion may be true, but it does not follow from the premise as stated in general terms. Capability, like balance and allocation, is a vague word unless we are told, capability for *what*. Even within an armed service we find arguments about allocation of resources. Hitler's navy was torn between the submariners and the advocates of a balanced fleet, with each side claiming that the war would be lost if its counsels were disregarded.

Allocation of resources therefore can be discussed rationally only in the light of given national strategies. National strategy is to the power inventory as management is to the materials inventory of a factory. What is produced, and when, depends on the judgment of the management. The decisions of course are not free or unlimited. They depend not only on the resources of the factory but upon the milieu—the cultural and natural environments offering possibilities and imposing limitations.[28] It hardly needs to be said that national strategy usually is less logical and consistent than industrial management. The play of interests makes the national strategy a sort of vector sum of ideas that are often divergent and sometimes diametrically opposed. The struggle between isolationists and interventionists in the United States in the interwar period is an obvious example. The single vote in the House of Representatives that renewed the selective service act might be called the vector sum in that case.

[27] Cf. an article in the *New York Times*, November 11, 1953, p. 17, headed "Wilson Hints End of Arms Balance."

[28] Cf. Stephen B. Jones, "Possibilism and Strategic Thought," abstract to be published in the *Annals of the Association of American Geographers* in June 1954.

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The strategy of industrial management is tested promptly. The statement of profit and loss gives the answer. There is no such easy test for national strategy. That a state has survived thus far may be all that we can claim, and we may not know for sure whether this is because of, or in spite of, its national strategy. Even the lessons of war are not conclusive. Witness the different conclusions that have been drawn from strategic bombardment in World War II.[29]

Generally speaking, there are two philosophies of resource allocation. One holds that a country should cleave to the strategy that seems best in terms of its own resources. The other holds that the "best" strategy is always relative to opposing strategies and calls for more flexibility, or for less complete commitment to one program. Strategic air power provides an illustration. Advocates of concentration on this arm have a number of arguments. There is the "inherent capabilities" doctrine: the long range and great pay-load of a strategic bomber. There is the argument from American strengths and weaknesses: the United States has a lively technology but not unlimited manpower; Americans like machinery and speed; they detest infantry service but will take any risk if they can do it sitting down. The Soviet Union is the most important enemy, and the doctrine of hitting the core rather than the extremities of enemy power has much to recommend it. But there are three terms of the equation of power that weigh against the foregoing: first, the unexpectedly rapid Soviet development of atomic bombs, making it unlikely that the United States will initiate their strategic use again; second, the Soviet strategy of limited risks and aggression by satellite; and third, American reluctance and unreadiness to turn a limited war into a general one. The evaluation of all these terms necessarily changes with time, technology, and national mood. Flexibility currently is dominant, and strategic thought seems to be seeking in tactical atomic missiles a means of combining flexibility, relatively conventional three-arm war-

[29] E.g., Alexander de Seversky, *Air Power: Key to Survival*, New York, 1950; and Marshall Andrews, *Disaster Through Air Power*, New York, 1950. There were divergent opinions in the Strategic Bombing Survey (*Summary Report, Pacific War*, Washington, 1946, and *Air Campaigns of the Pacific War*, Washington, 1947).

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fare, and American predilections for small armies and mechanization.

Neither the "one-basket" nor the "flexibility" philosophy of resource allocation can guard against obsolescence. As cavalrymen loved horses, so sailors love ships and airmen love airplanes. Whether anybody but a scientist can love an intercontinental rocket is a question, yet conceivably it might make other military implements obsolete. Steel and oil are sinews of war, as everyone knows, but one can imagine a titanium-hulled, uranium-powered missile that would make no great demand for steel or oil even in the manufacturing stage. This is of course dream-stuff today, but it shows that the projection of the inventory ray into the future must be checked against possible projections of the strategic ray.

National power must constantly be re-evaluated in terms of the methods and instruments available to national strategy. If Lower Slobbovia plans war on Upper Denturia, relative power is not determined solely by the fact that the former has bigger piles of rocks and more men to throw them. Can it bring its power to bear? If a wide, swift river separates these two countries, does Lower Slobbovia have the needed vehicles for crossing? Is its organization good enough to land its rock-throwers en masse, not in driblets? Are its emissaries loud braggarts who infuriate the Denturians or shrewd operators who may settle the dispute without fighting? All this bears on such questions of allocation as whether the Slobbovian *Führer* should put some of his rock-gatherers to canoe-building and send some of his rock-throwers to a school of diplomacy.

Allocation in Space and Time

Power resources exist in space and time. This may seem an obvious statement, yet it is an aspect that may be neglected. In the language of physics, there are space and time dimensions of the field of power.[30] Strategy is the art of movement in such a field.

[30] This may be mere jargon. The reader may judge after considering Whittlesey, "The Horizon of Geography," *Annals of the Association of American Geographers*, *op.cit.*, pp. 1-36, and Stephen B. Jones, "A Unified Field Theory of Political Geography," to be published in the same journal in June 1954.

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In a sense, space and time are resources. The nation that has them can adopt strategies that would be suicidal without them. Space consumes more than time; it consumes fuel, supplies, and manpower. Yet trading space for all of these is generally a sign of unpreparedness rather than of wisdom. But space and time are more than resources. They are conditions of resource allocation and use. Here, again, the strategic ray of the power triangle is valuable. Space and time aspects may be left out of an inventory. They are integral parts of national strategy.

The Sprouts made use of space as a strategic condition when they compared British sea power, based on an island close to the continent where the main rivals lay, with American sea power, facing two broad oceans.[31] Whittlesey, we have said, lists three derivatives of time: velocity, pace, and timing.[32] Velocity and pace have been touched on above, under operational quality. Timing was implicit in the discussion of the five availability states. Availability is strategically meaningful only in terms of how long it takes to bring a given item to the state of "immediately available." Locational availability also can be translated into terms of time and timing. Thomas' discussion of the "railway revolution" in war shows that even a century ago mobilization was not something that just happened.[33] In the Battle of Britain, radar helped the British get their planes to the right place at the right moment. One might say that radar gave the RAF a complete picture of the space-time field which helped offset the fact that the Luftwaffe was the larger force and held the strategic initiative.

The Problem of Relative Power

That national power is always relative is almost axiomatic. In the eyes of Lichtenstein, Switzerland is a great power. A superficial approach to the relativity of power has been to compare the power inventories of the states or alliances under discussion, with emphasis upon actual or potential power according to

[31] Harold and Margaret Sprout, *Toward a New Order of Sea Power*, Princeton, 1940, pp. 14-15 and 19-22.

[32] "The Horizon of Geography," *op.cit.*, pp. 23-24.

[33] Thomas H. Thomas, "Armies and the Railway Revolution," in *War as a Social Institution*, New York, 1941, pp. 88-94.

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the purpose or leanings of the writer. Such a simple method has of course long been rejected by those more deeply concerned with the problem. No substitute formula, simple or complex, will come from the present paper. The emphasis upon the interplay of the inventory and strategic beams leads only to greater uncertainties, when two or more states are considered.

Emphasis upon the strategic aspect of relative power does not render the power inventory useless. Basic data on such fundamentals as manpower, steel production, and the like are indispensable, and it is generally true in world politics as in pugilism that a good big man is better than a good little man. What the strategic approach does is to ask how good the man is, as well as how big. If strategic considerations make the estimation of relative power more complex, they may compensate by making it less fatalistic. It is less necessary to kneel before statistical superiority, unless the margin be great. The free world has had no reason to fear the Soviet Union—statistically. But generally the Soviet Union has held the initiative in world affairs. If the statistically weaker country has often called the tune for the statistically stronger, a reversal of roles is at least theoretically possible.

The simplest statement about relative power is that the margin of power between A and B is more significant than the absolute power of A or B. Unfortunately, we cannot express a margin of power statistically any more accurately than we can measure absolute power. We must make the best informed guess possible.

Relative power is sometimes discussed as if a state had only its own resources. But tight blockade is rare. Alliances, trade with neutrals, conquests of territory, scientific substitution, all may increase relative power. On the other hand, we cannot assume that a state necessarily commands all its own resources. Some may be highly vulnerable (like the French coal fields in both world wars); some may be withheld by public unwillingness to sacrifice; administrative clumsiness may prevent full employment of resources. In short, the modifiers we have discussed apply to the calculus of relative power.

Power relations are never simply between A and B. They take

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place in the configuration of international politics. Even in the so-called bipolar world of today, many states are involved. The shift of China from the non-Soviet to the Soviet camp profoundly affected the relative power of the United States and the Soviet Union, without changing the absolute power of either of these countries by itself. The relative power of the United States and Communist China in Korea was profoundly affected by the mere existence of the Soviet Union in the background. Even weak states affect relative power if they influence when or where competitive crises arise. The weakness of the states of the Eurasian rimland is the despair of the American strategist.

If it is the margin of power that really counts, one must ask for how long a period the margin must be maintained and what sort of competition is taking place. In a short war, margins of skill and readiness may count for more than relative potentials. There are some who hold that a little more skill (especially in handling Soviet minority peoples) and a little more readiness (for Russian winters) might have given Germany military victory over the Soviet Union. In long wars, relative potentials obviously become more significant, if the disparity in skills is not too great. In short crises not leading to war, relative diplomatic skill may be decisive. The long-term competition called the Cold War has demanded skills and other resources in combinations of unusual nature. The Cold War is a competition for entire peoples. Diplomacy is no longer merely the communing of diplomat with diplomat but a problem of mass communication of many kinds. Skill in communicating ideas and methods on a wide range of topics—government, subversion, farming, birth control, etc.—may tip a country like China or India to an extent that military power is almost incapable of offsetting.

Relative power, considered item by item, must be evaluated differently if the given item is scarce or abundant. If some element is scarce, the margin between just enough and not enough may be very significant. If both parties to a competition have some item in plenty, some derivative factor may be significant. Both the United States and the Soviet Union have large coal reserves, for instance. Whether they will last four hundred or four

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thousand years makes no immediate difference; they suffice for the present. Much more important are such derivatives as the rate of production, how much it could be increased, the manpower requirements of coal-mining in the two countries, and the speed with which a hydrogenation industry might be developed if liquid fuels run short.

Our opening analogy stated that the power inventory must be triangulated by national strategy. To extend the analogy to relative power, not only a state's own inventory and strategy must be considered but also the inventories and strategies of the other state or states involved in the political configuration. Theoretically, in this age of global competition, this would mean sixty or more strategic beams sweeping the international skies—with an effect more dazzling than illuminating. And, actually, it is in such a spider-web of beams that we are caught, when Germany and China, Iran and Guatemala, Indochina and British Guiana may hit the headlines the same day. The speed of communication and reaction in world politics, as well as the global scope, calls for more background in strategic thought than has been the American custom. Otherwise we are repeatedly surprised, "for, to the blind, all things are sudden."[84]

The complicated interrelationships of national strategies and relative power may be somewhat simplified if we consider national strategy to have two aspects, one of which we may call "autonomous," the other "responsive." There is not a dichotomy between these but, rather, a gradation. For example, England was not forced to adopt sea power as its principal weapon. In fact, there was little attempt to employ sea power independently until the reign of Henry III. Insularity permitted the British to rely on sea power but did not command it. Similarly, the decision of Britain to maintain a fleet equal to the two closest rivals was an autonomous decision, for Britain was free to adopt a smaller or greater ratio, limited only by the willingness to risk and the willingness to sacrifice. The location of the principal British naval bases was less autonomous; it depended on the probable enemy of the period and that enemy's resources

[84] Carlyle, *History of the French Revolution*, I, Book 7, ch. 8.

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and possible strategy. The distribution of British ships among the fleets and bases was also not fully autonomous; it was responsive to the political changes and the moves of the opponents.

A state faced with rising unemployment might make autonomous decisions on combating it. It might widen military training, thus tightening the labor market by removing young men and increasing economic activity by orders for military equipment and supplies. Or it might pay men for raking leaves or expand unemployment insurance. One policy enhances available power, the other doesn't, though the theoretical potentials remain unchanged. If, having failed to train its men, the second state is attacked, it is forced to make a convulsive responsive effort. Enemy power must be matched if possible, when and where and however it is used.

The autonomous aspects of national strategy are extremely important. They are the main aspects about which decisions are made in advance of conflict. These decisions are likely to be swayed by factors extraneous to the true problem. These decisions may weigh heavily in the scales when one comes face to face with an opponent and must respond to his moves. The decision of the Truman administration to take a stand on immigration to Palestine was autonomous. Extraneous factors of domestic politics played an important part. The effect of this and subsequent decisions on American power in the Middle East was and continues significant.

The last aspect of relative power that we shall discuss might inelegantly be called "historical peristalsis." In both politics and technology, change is endless but not continuous. Nor is the phase always the same from one country to another. The peristaltic changes in naval technology, the political responses to such changes, and the relative power relations resulting from both are so well brought out in Bernard Brodie's *Sea Power in the Machine Age*[35] that no discussion here is needed. Similar processes take place in diplomacy, propaganda, and all the other implements and methods of national strategy. To use a more refined

[35] *Op.cit.*

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but less apt analogy, the light of the strategic beam fluctuates. Hence the evaluation of the power inventory must change.

Thought is subject to many kinds of distortions, many of them quite unintentional. One common distortion is polarization. One polarization that is germane here is the tendency to place in opposition the long and the short views. The phenomenon of "historical peristalsis" indicates that both long and short views are necessary and complementary. A statement about national power really should carry a date.

Another form of polarization also is germane: The "and/or/versus" distortion. If one mentions, for example, "the spirit and the sword," it takes the merest twist of the tongue to change it to "the spirit or the sword" and but an intonation to give "or" the meaning of "versus." When we have spoken of power inventory and national strategy, *and* means *and*, not *or* or *versus*. Especially is it not intended to polarize material and imponderable aspects of power. There are non-material as well as material items in the power inventory and national strategy requires the availability of both. Even a national strategy of complete pacifism requires for inventory a stock of Grade A martyrs, as complete militarism requires a stock of Grade A brutes. Though a sound national strategy should reduce the wastage of resources, strategy is not a substitute for resources but is the art of using them.

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THE FRENCH TRADE ASSOCIATIONS AND THE RATIFICATION OF THE SCHUMAN PLAN*

By HENRY W. EHRMANN

"Politique—Le cauchemar de l'industrie; le rêve de l'industriel."—Auguste Detoeuf, *Propos de O. L. Barenton, Confiseur.*

A FEW months before the French National Assembly was to consider the ratification of the European Coal and Steel Treaty, a board member of the National Council of French Employers, the president of the Association of Engineering and Metal-processing Industries, wrote confidently: "This treaty, drafted as it is with the definite, though unavowed and hence shamefaced, intention of destroying the very principle of business representation, will be rejected by the French parliament. . . ."[1] A year later, the treaty, ratified without any modification, had obtained force of law for the six participating countries and opened the way for the operation of the common market.

The present article proposes to analyze the reasons why most of the French trade associations directly or indirectly affected by the Coal and Steel Treaty bitterly resented its provisions, the methods by which they sought to prevent its ratification, and the means by which they were eventually outmaneuvered. Such an inquiry will illustrate, it is hoped, to what extent organized business has or has not won effective access to points of decision-making in the field of foreign policy. Because of the rapid re-emergence of business as a new-old elite group in present-day France, the attitudes of the trade associations toward the Schu-

* This article forms part of the author's forthcoming study on the present status of the French employers' movement. He is indebted to the University of Colorado, the Social Science Research Council, and the Rockefeller Foundation for having enabled him to collect his materials during an extended stay in France.

1 André Métral, " 'Le Plan Schuman Constitue un Saut dans l'Inconnu,' " *Nouvelle Revue de l'Economie Contemporaine*, Nos. 16-17: *Le Plan Schuman* (no month; 1951) (cited hereafter as *Plan Schuman*), p. 41.

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man Plan may also be indicative of the prospects for further European integration.

I

Some leaders of French management organizations claim paternity to the idea and the institutions of the Schuman Plan. They are referring to a resolution adopted in 1949 by the European Economic Conference of Westminster which had proposed that coal, iron and steel, electricity, and transportation industries be "Europeanized" and that the following organs be created: (1) a governmental body (not unlike the High Authority of the Coal and Steel Community); (2) a consultative body consisting of employers, employees, and representatives of the public interest (similar to the Consultative Committee of the treaty); and (3) "one or more organizations of employers drawn from both publicly owned and privately owned undertakings, on whom would fall, amongst other duties, the task of carrying out the general directives and recommendations of the European governmental body."[2]

One of the co-authors of the proposal had been M. Pierre Ricard, a vice president not only of the Economic League of European Cooperation but also of the *Conseil National du Patronat Français* (CNPF). It was approved by the entire French delegation, which included several other prominent officials of trade associations. The bulletin of the Association of Engineering and Metal-processing Industries suggested to the Westminster Conference an even bolder plan for economic integration.[3] As early as 1947 the National Association of Steel Industries had seemed to promote the central idea underlying the Schuman

[2] European Movement, *European Economic Conference of Westminster, April 20th-25th, 1949: General Account and Resolutions*, pp. 17-18; a good account of the Westminster Resolutions, stressing similarities and differences between them and the provisions of the Coal and Steel Treaty, is given in Conseil Economique, *Etudes et Travaux: Communauté Européenne du Charbon et de l'Acier*, Paris, 1951 (cited hereafter as C.E., *Communauté*), p. 56.

[3] Jean Constant, "Westminster," *Les Industries Mécaniques*, No. 51 (May 1949), pp. 1-4.

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Plan. In an official note[4] it had declared that the time had come when steel production should be organized solely with a view to rationality and without consideration of political frontiers. At a time when the Ruhr industries were merely beginning to stir, the French industrialists contended that the plan suggested by them would prevent the reequipment of any one country for aggressive ends.

Yet only a few weeks after Robert Schuman had made his proposal for a pooling of coal and steel, the representative organizations of French business voiced their opposition to the treaty which was then being drafted. The General Assembly of the CNPF endorsed unanimously the stern warnings of its president, M. Villiers: "While the CNPF is favorable to its [the Plan's] envisaged aim, it expresses the greatest reservations in regard to the proposed means. It would indeed be very undesirable if the enactment of this treaty were to reinforce the intervention of government in economic matters."[5]

Before the reasons for such a change in attitude are analyzed, it will be necessary to describe the sectors of the business lobby which were particularly active in opposing the treaty. The driving force in the campaign against ratification was the National Association of Steel Industries, the *Chambre Syndicale de la Sidérurgie Française,* frequently known in Paris as *La Rue de Madrid,* where its imposing, somber headquarters, once a Jesuit school, are located. It has been maintained that even before the enactment of the Schuman Plan the Association wielded considerably less power than its prewar predecessor, the *Comité des*

[4] Quoted by René Mayer, then Vice President of the Council and Minister of Finance, during the ratification debate in the National Assembly on December 7, 1951 (*Journal Officiel* [cited hereafter as *J.O.*], *Débats Parlementaires, Assemblée Nationale,* 1951, p. 8,940). The ratification debates in the National Assembly took place on December 6, 7, and 11, 1951, and are recorded in *ibid.*, pp. 8,854-98, 8,911-23, 8,926-74, 8,999-9,030, 9,048-52. For the debates in the upper house, held on March 25, 27, and April 1, 1952, see *J.O., Débats Parlementaires, Conseil de la République,* 1952, pp. 712-41, 748-67, 793-840, 843-50. Unless otherwise noted, all references made hereafter to the debates and votes in either house of parliament are to the pp. cited above. For a general account of the debates, see Dorothy Pickles, *French Politics,* London and New York, 1953, pp. 204-9.

[5] *Bulletin du Conseil National du Patronat Français,* IV, No. 54 (July 20-August 5, 1950), p. 22. There seems to have been no discussion of the resolution that was passed. It is true that the General Assembly of the CNPF, like other similar bodies, is an organ for the dissemination of information among the affiliates rather than for policy-forming.

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Forges.[6] Actually, in 1947 the organized steel interests had obtained an unusual status, not dissimilar to the often-criticized position which the *Comité des Forges* had held during the First World War. Both the Steel Association and its marketing organization, the *Comptoir Français des Produits Sidérurgiques*, were authorized to control, under the guidance of the Ministry of Industrial Production, the allocation and billing of orders, the opening of new production facilities and, at least indirectly, the flow of investments for the entire industry.[7] The question cannot be discussed here whether this relationship between a governmental agency and a trade association resulted in a closer supervision of the industry, or whether, as some have asserted, it provided governmental approval of cartel-like practices. At any rate, the arrangement considerably furthered the integration of the business organizations concerned. In prewar days, the *Comptoir Sidérurgique*, which directed national and international cartel policies, was at least formally separated from the *Comité des Forges*.[8] The official position held since 1947 by both the Steel Association and the *Comptoir* invited the most intimate contact between them.

In the debate on the Schuman Plan, the National Associations of Iron Ore Mines and of Non-ferrous Metals took the same stand as the steel group, since the industries which they represent are almost wholly owned by steel interests. Yet, despite its status, the Steel Association suffered from the fact that the industry it represents comprises less than fifty concerns and that 90 per cent of the output originates from twenty-six large firms. In a country like France, where an often frankly demagogic emphasis is placed on the virtue of the small unit, the Steel Association needed allies in the business world for its campaign against the treaty. It was therefore most opportune that the *Rue*

[6] See *Le Monde des Affaires en France de 1830 à Nos Jours*, Paris, 1952, p. 122. This work contains (pp. 80-130) an excellent survey of the development of the French steel industry, showing also the business connections of the leaders of the Steel Associations and its affiliates.

[7] Decree of June 28, 1947, *J.O., Lois et Décrets*, 1947, pp. 6,234-35.

[8] For the cartel activities of French steel industry before the war, see Ervin Hexner, *The International Steel Cartel*, Chapel Hill, N.C., 1943, pp. 123-24; and J. J. Lederer, "La Sidérurgie Européenne et les Cartels avant le Plan Schuman," *Politique Etrangère*, XVI (1951), pp. 397-412.

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de Madrid could enlist the support of the Association of Engineering and Metal-processing Industries, which represents more than 10,000 firms.

In the past, difficulties between producers and industrial consumers of steel had been frequent, once leading to a split in the roof organization to which both groups belonged. Since the Coal and Steel Community was to affect prices and supply of steel products, producers and consumers might have been expected to take different sides once more. In fact, rather bitter recriminations between the two groups had arisen at the time the treaty was drafted, because of the steel scarcity which developed as a consequence of the Korean War.

However, an increasingly high degree of vertical integration between primary and processing industries had led over the years to a considerable amalgamation of leadership in the trade associations representing both branches. Furthermore, M. Métral, who was elected president of the Association of Engineering Industries shortly after the Schuman Plan had been launched, assumed a prominent role in the fight against the treaty and within a few months eliminated from the leadership of the Association those who were friendly to the Plan or generally critical of the steel industry.[9]

According to its statutes, the general employers' organization, the CNPF, is a rather loosely structured confederation, taking in the vast majority of French businesses, industries, and trades, small and large. Actually, a few industries furnish the Council with almost all the members of its "active minority," responsible for the framing of policies. Among these industries, the steel and metal trades, as well as the chemical industries, have been particularly prominent. The representatives of the engineering and the chemical industries considered the fight waged by the Steel Association to be their own, if only because the pooling of other European industries seemed, at least in 1950, to be a

[9] Among those who were ousted was the Secretary General of the Association, Jean Constant. His editorials, "Le Plan Schuman" and "Le Problème de l'Acier," in the Association's official bulletin, *Les Industries Mécaniques* (No. 64 [July 1950], pp. 1-4, and No. 70 [February 1951], pp. 1-4), listed the reasons why the engineering industries viewed the Schuman Plan with favor.

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possibility. It was feared that once the first common European market was established, pressure for further economic integration would be irresistible. With an important segment of its affiliates opposed to the Schuman Plan, the CNPF did not hesitate to join officially in the campaign against ratification.[10]

Certain wings of the employers' movement, generally so antagonistic to each other that they put the unity of the organization to severe tests, were united in their opposition to the treaty: the *Association de Cadres Dirigeants de l'Industrie pour le Progrès Social et Economique* (ACADI) for once joined hands with the *Confédération Générale des Petites et Moyennes Entreprises* (CPME). ACADI'S membership consists of a few hundred top-flight managers of large industrial concerns. Because of its progressive views on social policy, the group, which also seeks to further rapprochement between the managers of private concerns and government corporations, is considered to form a part of the CNPF's vanguard. The CPME, on the other hand, represents—according to its own, probably exaggerated, estimates—not fewer than 800,000 firms, of which seven-eighths are engaged in trade rather than in industry. The organized activities of this "dust" of small shopkeepers are often frowned upon by the managerial and big-business interests, and M. Gingembre, the dynamic Secretary General of the Confederation, is frequently in conflict with other trade associations. But he identified himself entirely with what he usually calls "the trusts" in their fight against ratification.

II

A considerable part of the polemics against the proposed treaty was directed against Jean Monnet and his principal advisers. As soon as it became known that the drafting of the treaty was entrusted to the so-called Monnet Office, the General Commissariat of the Modernization and Equipment Plan, it was alleged that Schuman had been merely the "mouthpiece" of the

[10] This threatened temporarily the internal cohesion of the Council's active minority: for about two years the influential Association of Electrical Equipment Industries all but withdrew from the CNPF, partly because it did not wish to be identified with the defense of steel interests in the political arena.

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"ambitious gray eminence of the Fourth Republic." The threat of a sinister "technocracy," depriving parliament and the traditional ministries of their constitutional prerogatives, was constantly evoked.

In the early days of the Monnet Plan, relations between the steel industry and the Commissariat had been rather cordial. Undoubtedly, the large share of subsidized investments granted to steel firms under the Plan had greatly improved their competitive position.[11] But as soon as the business lobby, after a brief eclipse from public life during post-liberation days, had regained its former ascendancy over parliamentary committees and government bureaus, it began to resent the methods and philosophy of the Monnet Office. In an economy where governmental interference was rapidly receding, the staff of the Commissariat continued to favor planning and control. Not sharing the traditions of the older bureaucracies, it remained impervious to the remonstrations of the pressure groups.

The trade associations did not wish to see the initial efforts at European integration marked by the degree of "independence" characteristic of the Monnet Office. To appeal to suspicions already aroused against an uncontrolled "technocracy" seemed to promise success with parliament and with certain groups of the traditional bureaucracy.[12]

From the outset, the Steel Association complained that Monnet's staff undertook the drafting of the treaty without sufficient consultation of the representatives of industry. The latter's accusations redoubled in vehemence as soon as they learned how

[11] The total investments in the steel industry between 1947 and 1951 amounted to 262 billion francs, 30 per cent of which came from public funds; see Commissariat Général du Plan de Modernisation et d'Equipement, *Cinq Ans d'Exécution du Plan de Modernisation et d'Equipement de l'Union Française*, Paris, 1952.—Interesting details on the relationship between industry and the Monnet Office are given in William H. Harbold, "The Monnet Plan: The French Experiment in National Economic Planning" (unpublished Ph.D. thesis, Harvard University, 1953), p. 128, *et passim*.

[12] For bitter criticism of the role of Jean Monnet and his staff, see Bernard Lavergne, *Le Plan Schuman: Exposé Critique de sa Portée Economique et Politique*, Paris, 1951, pp. 10-13 (one of the most violent of all attacks on the Schuman Plan, written by a professor at the Law School of the University of Paris); Pierre-Etienne Flandin, "Les Aspects Politiques du Plan," *Plan Schuman*, p. 6; other writers, *ibid.*, pp. 13, 38, 66; the deputy Pierre André, "Le Pool Acier-Charbon: Une Synarchie Internationale Omnipotente," *Tour d'Horizon*, No. 24 (January 1953), pp. 29-36; and the senator Ernest Pezet during the debate in the Council of the Republic.

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limited a role the trade associations would play in the projected Community. Here the criticism against the composition and powers of the High Authority merged with the strenuous opposition to the so-called anti-cartel and anti-trust provisions of the treaty (Articles 65-66).

The discussion on these points was conducted with a bewildering use of terminology and historical parallels. Promoters and critics of the treaty accused each other of wishing to restore cartel practices. The projected Community was alternately reproached as a revival of Pétain's Organization Committees and praised as a means of combating practices by which organized industry had actually recovered the power it held under Vichy. Each side indicted the other for favoring *dirigisme*, in postwar France the universally denounced and universally practiced policy of economic intervention, here by government, there by private interests.[13]

The issue at stake was obvious: which should assume the function of regulating the common market—an international administration, or business?

It is quite true that the treaty's sanctions against both price-fixing by private monopolies and production controls and market allocation by the trade associations deprived the latter of important functions which they had exercised previously. For these reasons alone, the treaty infringed upon the structure which the organizations of the steel industry had devised for discharging such functions. The spokesmen for industry expressed concern that what they called the "delicately equilibrated . . . architecture" of French production and consumption would be destroyed if any of the foundations of the edifice were altered. In the National Assembly the *rapporteur* for the ratification bill maintained, probably correctly, that if "Articles 65 and 66 had not been incorporated, organized French industry would not have opposed the treaty."

The issue was well joined during the testimony of Louis

[13] For the arguments used by industry, see François Perroux, "Le Pool du Charbon et de l'Acier et le Plan Schuman: Illusions et Réalités," *Plan Schuman*, p. 34; Robert Fabre, "Le Charbon Français dans la Communauté Européenne Charbon-acier," *ibid.*, p. 47. For the opposite point of view, see, among others, C.E., *Communauté*, pp. 30-31.

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Charvet, the General Secretary of the Steel Association, before the Economic Council. M. Charvet had pleaded that industry was in need of a "regulatory mechanism," especially in a period of crisis. One of the members of the Council understood this to mean that the Association preferred the cartel to the High Authority. To which M. Charvet replied: "One prefers what one has negotiated oneself to what is imposed from the outside. Why? Because we believe that one is never as well served as by oneself."[14]

In their campaign against the treaty the trade associations somewhat exaggerated the control over investments which the High Authority would be able to exercise. Yet it was obvious that their polemics against an "international financial oligarchy" (i.e., the High Authority) which would "vitiate economic decisions by political considerations" betrayed true anxieties over future competition from participating countries, and especially from Germany. The representatives of industry defended themselves strenuously against the reproach (recurrent since the First World War) that they had practiced "economic Malthusianism," i.e., had adjusted prices and investments in a manner which permitted the survival of even the least productive units. But they now expressed fears that the establishment of a common market would inevitably result in the closing-down of French steel mills and coal pits, with ensuing unemployment and other dislocations of the economy.

From the tribune of parliament a conservative deputy charged that in the Community a static France would be pinned against a dynamic Germany. By others the treaty was described as a belated victory of Hugo Stinnes, prominent German industrialist of the twenties. P.-E. Flandin concluded, "After having conquered Germany, we are offering her what she would have imposed on us if she had won."[15]

[14] *J.O., Bulletin du Conseil Economique*, November 29, 1951, p. 172. For a summary of the employers' criticism of the anti-cartel provision, see C.E., *Communauté*, pp. 64-67, 95-97. The most forceful critique was formulated by a working group of ACADI in the Association's *Bulletin*, No. 45 (February 1951), pp. 54-75. It is likely that M. Charvet at least co-authored the unsigned report.

[15] See Lavergne, *op.cit.*, p. 108; Flandin, *op.cit.*, p. 10. Since his role under Vichy prevented him from taking an active part in political life, M. Flandin has become a

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Whether such nationalistic arguments were but a rationalization of a desire to defend the economic status quo, or whether the fear of Germany was primordial, appears to be a moot question.[16] Both motivations were real; only the emphasis changed with the audience. Before various expert committees and in the professional press, the trade associations sought to prove with a great amount of technical data that because of the natural advantages of the Ruhr Basin French industry would be at a disadvantage from the outset. Social and tax legislation as well as the scarcity of credit in France were said to make the picture still more unfavorable. After the establishment of the Community, Germany would presumably be free to refuse the shipment of coking coal to France, while there was nothing to prevent a rapid depletion of French iron ore reserves.[17] Altogether —especially when one argument was piled on the other—the attacks by the spokesmen for French industry conveyed a distinctly paranoid impression, curiously similar to the opposition of the Soviet leaders to the control provisions of the Baruch Plan.

Before less technical audiences, and whenever their factual data were contradicted, the associations fell back on strong expressions of Germanophobia. At times attempts were made to appeal to the neutralist mood of certain sectors of informed public opinion by simultaneous insinuations against the United States. The entire draft treaty, and especially its anti-cartel

noted columnist of the employers' press. For a balanced account of the advantages that may accrue to the Ruhr industries under the Schuman Plan, see Frederick Sethur, "Schuman Plan and Ruhr Coal," *Political Science Quarterly*, LXVII (1952), pp. 503-20.

[16] Georges Goriély ("L'Opinion Publique et le Plan Schuman," *Revue Française de Science Politique*, III [1953]) concludes (p. 592) that the root of all opposition to the treaty was unregenerated nationalism; Raymond Aron ("Problems of European Integration," *Lloyd's Bank Review*, No. 28 [1953], p. 11) is of the opinion that the French opponents "feared above all else" stepped-up exports from other participating countries.

[17] For a summary of these arguments, see C.E., *Communauté*, pp. 27-37, 40-42; and Louis Lacoste, "Notre Fer en Péril," *Plan Schuman*, pp. 49-52. Many of the data submitted by the trade associations were disputed by the report of the Economic Council. For an objective evaluation of the facts involved, see Horst Mendershausen, "First Tests of the Schuman Plan," *Review of Economics and Statistics*, XXXV (1953), pp. 272ff., which points out *inter alia* that only 4 per cent of Germany's iron ore requirements come from Community countries. See also the complete data presented by K. K. F. Zawadzki, "The Economics of the Schuman Plan," *Oxford Economic Papers*, V (1953), pp. 157-89.

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features, were characterized as American-inspired and hence of foreign origin. European "humanism" was contrasted with American "materialism" which naively believed in the establishment of large markets as a panacea for economic ills. Hints were dropped that collusion existed between American and German industry, between the American High Commissioner and the Bonn government, between Washington and M. Monnet.[18] In short, the promoters of the treaty were portrayed as Frenchmen who had forgotten their country's traditions and interests, while the members of the future High Authority were characterized as "men without fatherland" (*apatrides*).

When American industrialists were addressed, yet other arguments were put into the foreground. The establishment of common markets was admitted to be desirable, but it was maintained that they should be controlled by decentralized and hence "democratic" contractual agreements among the producers, rather than by an authoritarian bureaucracy which would be a "Gosplan" in disguise. A strong dose of individualism was recommended as the best safeguard against Communism. After parliament had rejected, as it should, the ratification of the treaty, European industrialists would find a more promising approach to economic integration.[19]

Other spokesmen of the trade associations declared that the functional approach to European integration was altogether dangerous, that sovereignty was essentially indivisible, and that further developments would have to wait upon the emergence of a European federation or confederation. A Europe based on the merger of coal and steel would inevitably be dominated by Germany; only a political union could strike the balance.[20]

III

While the treaty was being drafted, representatives of the

[18] See *Schuman Plan*, pp. 7, 66-72, and *passim*.

[19] See *Proceedings of the First International Conference of Manufacturers, Sponsored by the National Association of Manufacturers of the United States of America*, New York, 1952, pp. 234-35, 316; Lavergne, *op.cit.*, pp. 91, 99.

[20] Lavergne, *op.cit.*, p. 58; ACADI, *op.cit.*, pp. 73-75; René Fould, *Point de Vue d'un Français sur le Plan Schuman*, Paris, n.d.

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Steel Association gathered support to bring pressure upon the Monnet Office. Direct relations between the Association and the Commissariat were constantly strained and their spokesmen often broke into harsh mutual recriminations. The officials of the Association refused to transmit such data as the cost elements of the French factories and were, at least for a time, successful in prevailing upon other administrators to withhold this information from their colleagues in the Commissariat. The officials of the Association excused their reticence by claiming that during the treaty negotiations vital data were communicated by M. Monnet's staff to the Germans. Only after pressure had been brought by several ministers was part of the requested information obtained.

During the initial period, the regional branches of the Steel Association and the directors of large steel concerns, especially in the north and east of the country, stated their grievances against the proposed treaty and described in detail the calamitous consequences which its enactment would have for the economic life of their districts. A number of local and regional Chambers of Commerce reacted in a similar vein. Such protests were either lodged with the Monnet Office or transmitted to other branches of the administration through the deputies of the respective constituencies. Since iron ore mines are spread over several regions, the plea to have iron ore extraction altogether excluded from the Community reached an even larger number of deputies and officials, including some of the prefects.

Before the final treaty draft was initialed, an informal interministerial committee was set up to hear the complaints of individual industrialists and of their trade associations. It concluded that an understandable concern over the as yet unknown consequences of the treaty was prevalent, but that in general the spokesmen for the associations were far more critical than some industrialists. A curious instance of this developed during the testimony of M. Fould, the director of important modernized steel mills and of a large shipbuilding concern. M. Fould is also prominent in the employers' organizations both as a producer and as a user of steel products. He first explained the reasons

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for the anxiety of industry and repeated the arguments of a pamphlet published over his signature. But, under further questioning, he readily admitted that "as an industrialist" he viewed the Schuman Plan "with sympathy."[21]

As soon as the treaty was signed, French business shifted its campaign to selected sectors of public opinion. Here severe handicaps existed. While before the war a number of the most respected dailies were controlled by the mining, steel, and other industries, in 1951 not a single newspaper of general circulation could be considered to speak with the voice of business. The resultant dispersion of available influence and funds has been much regretted by those industrialists and interest group officials who wish to develop a more effective public relations program.

To assist them to explain the reasons for their hostility to the treaty, the trade associations could rely only on a number of magazines, news services, and pamphlet series which the CNPF and its affiliates had subsidized for some time. These media count among their contributors some outstanding writers, scholars, and experts, it is true, but their circulation is extremely limited. Moreover, because of the unpopularity of the business community after liberation, a number of publications sponsored by the trade associations had been assigned the role of defending the business point of view only surreptitiously. This meant that some of them balanced articles which were critical of ratification with expressions of friendly, or at least neutral, attitudes.[22] The most complete dossier of arguments against the treaty was presented by a galaxy of writers and with great talent in a special issue of the *Nouvelle Revue de l'Economie Contemporaine*. That magazine, brilliantly edited by an economist who had switched

[21] *L'Information Politique, Economique et Financière*, February 6, 1951. This newspaper account, it is true, eliminates the part of M. Fould's statement which was favorable to the Schuman Plan.—As early as 1950, William Diebold, Jr. ("Imponderables of the Schuman Plan," *Foreign Affairs*, XXIX [1950], p. 121), suggested that French industry might not keep a united front in regard to the Schuman Plan, "since individual firms may be affected in very different ways."

[22] Among them, the magazine *Fédération*, which, although presumably devoted to the cause of European federation, voiced much of the employers' criticism of the Schuman Plan; see, e.g., C. Harmel, "Le Traité Schuman ou l'Europe Travestie," *Fédération*, VIII (1951), pp. 757-68. The same magazine also published articles in favor of the treaty, but had opened the discussion in November 1950 with the very critical analysis of Professor Perroux, reproduced later in *Plan Schuman* (see n. 13 above).

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from an earlier support of Blum's New Deal to an advocacy of Marshal Pétain's corporate state, has on its board a large number of industrialists and their professional spokesmen.

Altogether, the trade associations did not appeal their case to public opinion at large, but rather to specific groups. A potential ally, willing to lend its influence with wide audiences to the employers' campaign, arose in the French Communist Party.

First in an open letter to the director of an important steel concern, particularly active in the campaign against the treaty, then from the tribune of parliament, spokesmen for the Communist Party congratulated management on its hostile stand and called for a united front of workers and employers against "the encroachment by foreign interest." Just as there had been collaboration between patriotic bosses and their employees during the resistance, the dangers to all producers inherent in the Community should prompt a recrudescence of solidarity between capital and labor.[23]

The employers never shook the hand which the Communists stretched out in their direction, and made only one stillborn attempt, if attempt there was, to use the appeal recommended by the Communist Party. Posters and handbills were prepared warning the workers against the dangers of the treaty in various terms: "The Schuman Plan in its present form means the victory of German steel"; "The Plan means unemployment and workers' deportation to Germany"; "As it stands now, the Plan means misery and war. . . . To defend peace and a true European community, ask for revision of the treaty"; "The salaries of French miners and steel workers are threatened. . . . The treaty must be rejected and made over, otherwise France will be made over," etc., etc.

Undoubtedly this material, unsigned though it was, translated into language of popular appeal the general attitude of the trade associations toward the Plan. It seems to have been established that the material was prepared by an office known to live on CNPF subsidies. The Steel Association, however, denied any

[23] See *L'Humanité*, December 5, 1951; *Le Peuple*, September 20, 1950; and especially *J.O., Débats, Conseil de la République*, April 2, 1952, pp. 794-95.

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responsibility for the materials, and it is true that they were never actually distributed, presumably because the president of the CNPF considered it altogether inopportune to propagandize the issues on this level.[24]

During the extensive hearings which the Economic Council held prior to the ratification debate in parliament, the trade association officials who appeared before a subcommittee strenuously objected to the treaty as a whole and to most of its provisions. When the Council proceeded to formulate advice to the National Assembly on ratification, the group representing private business and chaired by one of the vice presidents of the CNPF adopted the tactics of not rejecting the Plan outright, but of proposing a lengthy series of amendments.

The suggested changes asked for a general extension of the prerogatives of the trade organizations in line with the "proposals formulated by the European Movement at Westminster." The High Authority was to be deprived of all jurisdiction in matters affecting investments and part of its powers were to be shifted to the Court, the Consulative Committee, and the Ministerial Council of the Community. The *a priori* prohibition of cartels was to be replaced by an *a posteriori* censure of those agreements that had proved harmful. Transportation charges should be equalized before the opening of the common market; France should have the privilege of protecting its iron ore reserves against depletion. Finally, any nation which felt harmed by the Community should be permitted to reintroduce tariffs and quotas, to dispense government subsidies, and to resort to other practices which the treaty considered irreconcilable with the fundamental goals of the Community.[25]

The employers' motion acknowledged that by proposing these

[24] For a discussion of this episode, see Roger Lapeyère, "Un Specimen de la France Moderne," *La Révolution Prolétarienne*, XXI (1952), pp. 17.65-23.71; and "Documents à Conserver," *Documents Franco-Européens*, IV (January 1952), pp. 5-6. This writer has seen the materials in question and the letters of protest addressed by M. Charvet to persons connected with the *Documents*.

[25] For the text of the employers' amendment, the debates and votes in the Economic Council, see C.E., *Communauté*, pp. 150-61, 166-69; *J.O., Bulletin du Conseil Economique*, November 29 and 30, 1951, pp. 172-92. Cf. also the interesting press release by the CNPF in *Bulletin du Conseil National du Patronat Français*, VI (February 20, 1952), p. 23.

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changes they sought to bring about a reopening of negotiations with the treaty partners. In addition, their group made a number of economic demands to which the French government was to accede before ratification. Moreover, by special agreements with the other contracting partners, definite establishment of the Community was to be preceded by an experimental period of five years, after which further modifications of the treaty would be possible. It may be assumed that the primary purpose of such requests was to provide an escape clause in the event that the desired drastic alteration of the treaty text could not be obtained immediately.

When these proposed amendments were brought before the Council, the employers' group, although composed of representatives of a wide variety of industries and trades, of small as well as of big business, showed its usual cohesion and voted *en bloc* for them. However, except for a few isolated votes from the French colonial interests, the group's proposals found no other support and were defeated overwhelmingly.

For their part, the employers voted against a motion of the Communist trade unions, which requested parliament to repudiate the treaty completely. Later in the debate, the spokesman for the employers declared that "logically" they should vote against the majority report which approved ratification, but that they had decided on abstaining in order to avoid the bad effect which their negative ballot might have on "public opinion abroad."

The desire not to antagonize American feelings openly was undoubtedly one of the motivations for such an attitude. In addition, the employers were anxious to differentiate themselves at all times from the Communists, whatever the latter's dream of a united front against the "Plan of enslavement" might have been. Finally, abstention from voting was in line with the overall tactics which organized business has adopted of late in the Economic Council. In the first year of the Fourth Republic, when the trade associations were denied a voice in the community, they were anxious to use the Council as a forum. Since then, other avenues of influence have opened up once more,

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permitting more discreet, and hence more effective, if indirect, action. Therefore, the employers are now less inclined to take a strong stand in an assembly where their votes can be counted and paraded before public opinion as the official attitude of business.

IV

If the trade associations wanted to see their anonymity preserved, the parliamentary debates did little to satisfy such wishes. Deputies and senators spoke about the "flood" of anti-Schuman propaganda which had been distributed by industry and about the amount of personal pressure brought upon committee members in particular. A Socialist senator identified the "violent" opposition to the treaty as originating with the "most authentic representatives of a *patronat qui dort*," an expression coined by the rightist Paul Reynaud. One of the *rapporteurs* in the Assembly described the opposition to the Plan as a combination of "realists and doctrinary foes." Presumably the latter included Communists and many Gaullists; the former were those speaking for the antagonistic business interests.

Before the split in the RPF which occurred a few weeks after the ratification debate in the Assembly, the attitude of those Gaullists who could be counted among the "realists" was indistinguishable from that of their party's majority who voted against ratification because of their fundamental opposition to the policies of the middle-of-the-road cabinets.[26] Hence, in December 1951, the two parties from which the realists' opposition to the Plan came were the Independent Republicans (RI) and the Independent Peasants (IP). The tactics employed by the deputies from these parties were quite different from those followed by either RPF or Communists. For their arguments they drew heavily on materials which the Steel Association had distributed to every member of parliament; indeed, they repeated each other to such an extent that it is possible to gauge from

[26] For the significance of the RPF split, see Robert G. Neumann, "Formation and Transformation of Gaullism in France," *Western Political Quarterly*, VI (1953), pp. 266-68.

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the debates which documents the Association considered to be particularly effective weapons against ratification.[27]

The leadership of this group was assumed by a deputy from Meurthe-et-Moselle, the ranking steel-producing department. Although the trade associations disclaim any direct connection with him, M. Pierre André (RI) is generally considered to be the spokesman of the steel industry; one of his own party colleagues acknowledged during the debate that André had "defended from the tribune of the Assembly the legitimate interests of an important sector of our industry." First in the Committees of National Defense and of Labor and Social Security, later in the plenary debates, André and some of his colleagues presented that amalgam of economic, nationalistic, and anti-*dirigisme* arguments which had characterized the campaign of the trade associations. Since the Standing Order of the Assembly practically prevents parliament from amending a treaty and since outright rejection was hardly obtainable, André and the group that supported him tried to have the treaty referred back to the committees for renewed consideration. It was hoped that in this way ratification would at least be postponed *sine die*, until additional legislation could satisfy the requests made earlier by the employers' group in the Economic Council.

The motion offered by André was defeated, however, by more than 130 votes, when the cabinet decided to invoke the question of confidence against it. In the final vote, both RI and IP split wide open: of their combined membership of 102 deputies, only 21 voted against ratification, while the others, except for a few abstentions, upheld the government. Had these conservative parties voted differently, the Schuman Plan would have been defeated. As it was, the opposition came largely from the extreme Right and Left.

During the three months which elapsed between the debates in the National Assembly and in the upper house of parliament,

[27] Among the *pièces de résistance* were, e.g., an article critical of the Community by Clarence B. Randall, "European Steel: Monopoly in the Making," *Atlantic Monthly*, CLXXXVIII (October 1951), pp. 34-38; a warning by Van Zeeland; a report by the U.S. High Commissioner in Germany about the reemergence of the Ruhr; and the issue of the *Nouvelle Revue de l'Economie Contemporaine* mentioned above.

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a cabinet crisis brought M. Pinay to the premiership. His efforts to constitute a large conservative majority accelerated the disintegration of the Gaullists. By the time the Council of the Republic opened debate on the Schuman Plan, the split in the RPF was nearly complete.

While all but one committee of the lower house had reported favorably on the treaty, the three most powerful committees of the Council of the Republic joined efforts in presenting amendments which, if accepted, would have thrown the debate back into the National Assembly and were designed to compel the government to reopen treaty negotiations.

In the upper house, opposition was also heard from the Communist and Gaullist benches, but the main burden of arguing against the treaty fell to the senators of the conservative Right. The *rapporteurs* of the committees which advised against immediate ratification all belonged to the RI. Senator Armengaud, speaking for the Committee of Industrial Production, has been at all times a most consistent defender of business interests in the Council. During the debates he cited with characteristic attention to detail the facts and figures contained in the material which the Steel Association had distributed. The *rapporteur* of the Finance Committee was Senator Maroger, who is president of the *Tréfileries et Laminoirs du Havre,* probably the most important metal-processing concern in the country, with plants in many regions and interlocking business connections with steel mills and aluminum factories.[28] At one point, M. Maroger, making yet another attempt to merge the controversy over the powers of the High Authority with a fundamental question of national policy, proposed the adjournment of ratification until France and Germany had agreed upon a definite status for the Saar.

Initially, a great number of senators seemed to be undecided as to the extent to which they should follow the lead taken by their influential committees. This wavering of senatorial opinion was at least partly due to the fact that one of the new Premier's close collaborators conveyed an ambiguous attitude to the Coun-

[28] M. Henri Lafond, one of the politically most active board members of the CNPF, is also on the board of directors of the *Tréfileries.*

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cil. A member of M. Pinay's personal staff who was known to be in close touch with the trade associations intimated that the government was not opposed to some of the suggested amendments. It took the personal appearance of Pinay, presumably prompted by Schuman and Monnet, to redress the situation. After the Premier had declared that all proposals to postpone ratification and to reopen negotiations were unacceptable to the cabinet, the mood of the Council changed.

By switching tactics and withdrawing to a last line of defense, the *rapporteurs* of the committees sought to introduce into the ratification bill certain clauses concerned with the problems of investment and of tax equalization. These amendments, favored by most of the Right, were defeated by only a small margin (122 as against 157 votes). But, afterwards, further resistance disintegrated rapidly, until on the final ballot once more only the Communists and about half of the RPF opposed the treaty. Close to a hundred senators, among them most of the conservatives who had voiced the criticism of industry against the proposed Community, abstained from voting.

V

Why did the trade associations, notwithstanding their persistent efforts, fail in their attempts to prevent ratification?

A first difficulty arose from the fact that the Steel Association, which carried the main burden of the campaign, had inherited the stigma of unpopularity from its predecessor, the *Comité des Forges*. To their embarrassment, those who opposed ratification were constantly told that their goal was obviously a Europe "organized by the *Comité des Forges*." The battle for treaty enactment could be turned into a fight against the "anonymous forces of industry," still a good propaganda plank in France.

Therefore, even the distribution of materials by the Steel Association to all members of parliament seems to have done more harm than good. Many thoughtful deputies and senators hesitated to follow a line of thought which, even where sound, was known to have been advanced by the trade associations. Moreover, members of the French parliament had been sensi-

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tized against the influence of interest groups by a previous incident, when amid general applause a moderate deputy had described in detail and deplored the all too brutal intervention of certain trade associations in a budgetary debate.[29]

Since their defeat in the struggle over the Schuman Plan, the trade associations have also acknowledged that they had in M. Monnet an extremely able opponent. It is quite true that Monnet and his staff showed throughout the debate a political acumen not usually ascribed to a "technocracy." They succeeded in mobilizing the support of the nationalized sector of the economy and did not altogether fail in their attempts at differentiating steel consumers' from producers' interests.

Had the coal and railroad industries still been in private hands, and had the important media of communication which were at their disposal before the war joined in the campaign of the Steel Association, the treaty might not have found the necessary support in parliament. As it was, the managers of the nationalized coal mines and of the state railway system, highly respected for their professional competence, brought expert testimony to show that the advantages of the common market would outweigh its dangers. M. Lefaucheux, the president of the nationalized Renault works, made himself the spokesman of metal-processing industries in general. His forceful testimony was received with sympathy by some of the private firms in the automotive industry, which, confronted with an increasing international competition, is saddled with high prices for French steel products. M. Lefaucheux's testimony, describing the monopolistic practices of the steel *Comptoir*, was used by deputies and senators to identify the opposition to the treaty with the protagonists of a cartelized industry.

The emergence of an Association of Users of Steel Products was in part also due to the efforts of the Monnet Office. Here an attempt was made to lessen the control of the National Association of Engineering and Metal-processing Industries over its membership. While the CNPF was successful in preventing any

[29] See *J.O., Débats Parlementaires, Assemblée Nationale,* January 3, 1950, p. 26.

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important schism, the president of the new Association[30] developed a fairly effective campaign on behalf of the anti-cartel provisions of the treaty, hopefully termed "Europe's first anti-trust law."

Furthermore, the Monnet Office succeeded in modifying the initial hostility to the Plan of some of the local and regional Chambers of Commerce by arousing hopes for cheaper coke and steel and by assuring them that special consideration would be given to the metal-processing industries in the investment program of the second Modernization Plan. Thus the nationwide Assembly of the Presidents of the Chambers of Commerce expressed itself in far less antagonistic terms about the treaty than did the other employers' organizations.

That the farm bloc threw its weight on the side of the ratification was of considerable importance for swinging parliamentarian opinion. In general, the CNPF has been most anxious to ensure a united front between industrial and agricultural producers. Yet it could not prevent a split on the question of the Schuman Plan, since the leadership of the then still powerful *Confédération Générale de l'Agriculture* considered the Community a desirable prototype for the "green pool," the common European market for agricultural products.

Altogether, the advocates of the treaty acquired an important advantage over their opponents by not committing themselves to any particular economic doctrine or policy. The "Westminster formula" of the employers crystallized against them a variety of opinions, characterized by a common suspicion of any kind of "government by business." Monnet's collaborators and Schuman himself were able to point out that the treaty left it open whether or not the objectives of the Community would be accomplished by the marketing process itself and whether the High Authority would be "liberal" or "interventionist." Which alternative would be chosen would depend entirely on general political and economic developments.[31] Hence the ex-

[30] M. Jean Constant, the dismissed Secretary General of the National Association of Engineering Industries.

[31] See the statement by Schuman before the National Assembly and by M. Uri, one of Monnet's principal advisers, in C.E., *Communauté*, p. 116. The significance of

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tremists of either school were deprived of effective arguments and much of the sting was taken out of the employers' warnings against the dangers of a "superbureaucracy."

The point has been made that the number of affirmative votes was increased substantially[32] because, contrary to the customs of parliament, the government succeeded in postponing the final vote of the Assembly on the ratification bill until after a week-end. In the intervening time, a number of wavering deputies, removed from the influence of Parisian interest groups, presumably found out how favorable their constituents were to the treaty. Actually, the record seems to indicate that public opinion was all but indifferent to the enactment of the Plan.[33] Later developments gave ample evidence that the same parliament which ratified the treaty was on other occasions quite amenable to the pressure of the business lobby.[34]

Rather, because of the inertia of public opinion the deputies had to interpret for themselves how to translate the general and vague desire for European unification into legislative action. The debates showed that, for a number of them, voting in favor of the treaty had almost the effect of a psychological release. They felt that French foreign policy had alternated all too long between generous proposals and inhibitions about acting on them. In a country which still loves to talk of "needed revolutions" and yet is convinced in advance of their futility, the establishment of the Community seemed to promise both orderly and bold renovation.

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this point is stressed by both Aron (*op.cit.*, p. 6) and by Mendershausen (*op.cit.*, p. 271), who comments: "By a stroke of genius, the treaty bypassed the negatives of contemporary policy debates and established an institutional setting to which even the dogmatic extremists could not easily object."

[32] The *Bulletin du Conseil National du Patronat Français*, VI (February 20, 1952), p. 22, admitted that the majority in favor of ratification had been "surprisingly large."

[33] This is the conclusion reached after a very careful investigation of the questions involved, in Groupe d'Etude de l'Institut des Relations Internationales de Bruxelles, *La Communauté Européenne du Charbon et de l'Acier*, Paris, 1953, esp. pp. 316-22. In 1950 a French public opinion poll revealed that only 9 per cent of those questioned were able to describe the essential features of the Schuman Plan. Among those informed, only 25 per cent approved of the Plan. See *Sondages*, No. 1 (1951), pp. 23-24.

[34] Both the President of the Republic and Premier René Mayer have spoken about the parliament elected in 1951 as a "corporatist Chamber," dominated by the interest groups.

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At such a juncture, the moderate politicians and their able supporters in the bureaucracy who had supported the Plan partly in order to reinforce their positions[35] were able to command a majority in parliament. That this solution was available against the combined votes of Communists and Gaullists was for the deputies left and right of center a welcome additional justification of their decision. Obviously, the trade associations had not been able to divorce themselves from their extremist partners. That the treaty was known to have the backing of American opinion also may actually have encouraged members of parliament to cast a favorable ballot. Here the futility of a campaign appealing simultaneously to neutralism and to nationalism became evident.

VI

It is obviously too early to evaluate the attitudes of organized business toward the Community.

In the first General Assembly held after the ratification of the treaty, the CNPF reversed its previous stand and promised wholehearted collaboration with the High Authority, pledging that French industrialists would match the vigor of their German colleagues. In an obvious desire to repair the damage which the ratification debates had inflicted on its reputation, the Steel Association expressed the hope that it would have the support of "government and parliament, of the users of steel products and of public opinion in general" in the "peaceful competitive struggle" that lay ahead. Speaking to a congress of European industrialists, M. Villiers wished the pool success, for its failure would mean a "defeat for the European idea and a victory for the enemies of the free world." In a series of press conferences, M. Ricard, who in the meantime had become the head of the Steel Association, eulogized the president of the Community, M. Monnet, and his French staff, largely recruited from the Commissariat of the Modernization Plan. He added, it is true,

[35] To this point, see William N. Parker, "The Schuman Plan—A Preliminary Prediction," *International Organization*, VI (1952), p. 394.

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that in the eyes of the steel industry the Schuman Plan remained a "dangerous venture."[36]

Among the organizations affiliated with the CNPF, only the Confederation of Small and Medium-sized Enterprises did not depart from outward hostility. With the sense of melodrama that is his forte, M. Gingembre berated the "Europe of the Trusts"; to him the first carload crossing the border after the opening of the common market had not only carried "European coke" but also the "corpse of French industry."[37] Such disparity in the language of the CGPME and the CNPF betrays an increasing schism between the organizations of small and large business; the former fear that with a progressive integration of European economies they will lose all political influence.

By designating Léon Daum to serve as one of the nine members of the High Authority in Luxembourg, the French government went as far as possible to alleviate the resentment and fears of the business community. M. Daum, heir of Raymond Poincaré, descendant of an old family of Lorraine industrialists, was prior to his nomination director of several important steel companies. Active in the employers' movement since the time of the *Comité des Forges*, he was until 1952 one of the representatives of the Steel Association in the councils of the CNPF.

It is somewhat doubtful whether M. Daum's nomination was actually in strict conformity with the wording of the treaty. While "producers" are expected to serve on the Consultative Committee attached to the High Authority (Article 18), the Authority itself was to be composed of members "chosen for their general competence" (Article 9). During the debates on the draft treaty, this provision was understood to exclude persons who had acquired professional experience in the management of coal or steel concerns; the trade associations had therefore criticized the Article in question as another intended insult to industry. In an effort at healing the breach between the Community and industry left by the ratification debates, the Pinay

[36] See *Bulletin du Conseil National du Patronat Français*, VI (July 20-August 5, 1952), p. 27; *Allocution Prononcée devant la Presse par M. Pierre Ricard . . . le 10 Décembre 1952*; *Le Monde*, January 11-12, 1953.

[37] *La Volonté du Commerce et de l'Industrie*, February 1953.

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government proceeded to give to a prominent industrialist—widely respected, it is true, for his competence and moderation—a seat on the High Authority.[38] The French representative on the bench of the Community's Court of Justice, a distinguished economist of the purest school of Manchester liberalism, also had the full and explicit approval of the spokesmen for business.

On its side, the *Rue de Madrid* undertook drastic changes in personnel and structure, termed by some the result of a palace revolution,[39] while the Association explained them as routine reshuffling. Both the President and the General Secretary of the Association, who during the ratification debates had shown rigid hostility to the treaty and overconfidence in regard to the outcome, were removed from their posts. M. Ricard, who replaced them, a brilliant graduate of the *Polytechnique* and manager of a number of steel and foundry plants, is representative of a type of productivity-minded pressure group officials who at one time served a lengthy term in the upper strata of the civil service. He claims credit for the rebirth of the CNPF after the war; yet his relations with the Monnet Office have been generally friendly and his contacts within parliament extend as far left as the Socialist Party. Having kept studiously aloof from the sharp polemics preceding ratification, the new president of the Steel Association is in a far better position than his predecessors to deal with the High Authority.

Under the dual impact of the anti-cartel provisions of the treaty and of the French law of July 18, 1952, which forbids certain price-fixing agreements, the Steel Association also revamped its marketing organization.[40] The *Comptoir* no longer centralizes and distributes incoming orders, nor does it bill the buyers. Only the future will tell whether its residual powers will enable the Association to go on controlling market condi-

[38] Officials of the Steel Association congratulated the French cabinet for having chosen more wisely than the other participating countries, since the latter had not nominated any industrialist to the High Authority. This was tantamount to saying that only the French government had ignored, or at best arbitrarily interpreted, an important treaty provision.

[39] See *Combat*, February 4, 1952.

[40] See *Le Monde*, September 17, 1952; and, for the so-called Pinay law, *J.O., Lois et Décrets*, 1952, p. 7,227.

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tions, or whether a breach has been made in the French system of "corporative economics" which has been under attack for so long and from so many quarters.

As has been noted earlier, the opposition of the trade associations to the Schuman Plan stemmed in part from fears that the pressure for economic unification would spread to other fields. Since the Community has become a reality, some of the spokesmen for industry have expressed the opinion that the "idea-force" of the Schuman Plan would make its way into further functional integrations and that one could only attempt to eliminate the most objectionable features of the Coal and Steel Treaty from future common markets.[41] Others have openly declared that the lessons to be drawn from the ratification of the Schuman Plan called for better preparation for the fight against any further integration. M. Métral, now also the chairman of the Community's Consultative Committee, has made himself the champion of such an attitude; his influence within the CNPF is considerable, though not uncontested.[42]

The most immediate objective of the unregenerated nationalists was to prevent the ratification of the European Defense Community. In parliament and press, the same personalities who had voiced the criticism of the Steel Association against the Schuman Plan, especially P.-E. Flandin and Pierre André, addressed themselves to the task of organizing the resistance against EDC. In contrast to the Coal and Steel Treaty, the Defense Treaty provides for central agencies of redistribution of military resources and could therefore be presented as a potential threat to the myriad of firms interested in defense production of one kind or another. The so-called *ad hoc* treaty, trying to remedy the imperfections of the "functional approach" to European

[41] Representative of this approach is C. J. Gignoux; see, e.g., his *L'Industrie Française*, Paris, 1952, pp. 174-76. M. Gignoux, who before the war was president of the CNPF's predecessor, still holds authority with some sectors of the employers' movement. His views on the point under discussion are shared by several trade associations, especially those which have formed the *Comité Européen pour le Progrès Economique et Social* (CEPES).

[42] For a quite impressive exposé of his thoughts, see his address, "La Mécanique Française en face des Problèmes Nationaux et Européens," supplement to the March-April 1953 issue of *Les Industries Mécaniques*.

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unity by a constitutional framework, has come under equally strenuous attack by the trade associations, if only because its Article 82 specifically refers to the Schuman Treaty as the desirable pattern for other common markets.

At present it seems likely that the Coal and Steel Community will have to stand alone for a considerable time. Only the future can test the prophecies of those who predict failure for an international economic pool existing in intricate contact with unpooled economic activities and under the control of a partial supranational authority.[43] Although legally the treaty is extremely detailed, its provisions do not chart the future course of the Community. Just because ratification was obtained without the articulate support of public opinion, specific policies of the High Authority may almost overnight enable the affected interests to mobilize widespread, if not national, opposition to the authorities in Luxembourg. A curious situation of this kind developed only a few months after ratification, when almost the entire Council of the Republic censured the government for not having acceded to the requests which the steel industry wanted to see fulfilled before the opening of the common market.[44]

From within the councils of the Community and from the outside, the exercise of the market powers assigned to the High Authority will have to face the pressure of heavy industries, nostalgic for the protections enjoyed in the past and still accustomed to "move in herds." By serving notice repeatedly that the High Authority will not tolerate the revival of cartel-like practices by the trade associations, M. Monnet has indicated that he is fully aware of the trying tests ahead. It may therefore be assumed that his show of optimism during a hearing in Washington was primarily a move in yet another political campaign, this one waged to win the sympathies of United States Congressmen.[45] All of French industry, he asserted, was

[43] See the thoughtful analysis by William Diebold, Jr., "Where Is the Schuman Plan Heading?", *European Union*, III (August 1953), pp. 8-15; and Mendershausen, *op.cit.*

[44] See *J.O., Débats, Conseil de la République*, December 17, 1952, pp. 2,504-20, 2,526-32.

[45] See European Coal and Steel Community, *Hearings Before the Committee on Foreign Relations, U.S. Senate, 83rd Congress, 1st Session, June 4-5, 1953*, Washington,

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now wholeheartedly supporting the High Authority and most desirous to see the system of the Community applied to "all the production of Europe." And when Senator Smith of New Jersey inquired what had become of "the old cartel system which," as the Senator cautiously put it, "may have existed in this steel industry," M. Monnet cheerfully reported that it was on its way "not to the icebox, but to the ashcan."

Adhuc sub judice lis est.

1953, esp. pp. 18, 21. On other occasions M. Monnet has expressed himself far more realistically; see, e.g., *Le Monde*, April 21, 24, and 25, 1953.

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A CUSTOMS UNION FOR WESTERN EUROPE: Advantages and Feasibility*

By P. J. VERDOORN

EXPANSION of internal trade and a wider market for its products are generally considered necessary conditions for the economic strengthening of Western Europe. Obviously, creation of a wider market presupposes at least some liberalization of trade. Liberalization of intra-Western European trade might be part of some broader scheme, such as a world-wide liberalization of trade, or the establishment of a huge block of interlocking preferential areas, as advocated by the Strasbourg Plan;[1] or it might be restricted to Western Europe alone. At all events, it is clear that the economic consequences of liberalization will depend on the areas to be liberalized and on the character of the agreements that pertain to the mutual removal of trade restrictions.

Since a liberalization of trade in Western Europe itself is a prerequisite to any widening of its markets—whether that widening aims at the realization of a "one world" system, the Strasbourg Plan, or the economic integration of the fifteen OEEC countries—the case of liberalization restricted to these countries provides a useful starting point for appraising the creation of wider markets for Western Europe.

It is the purpose of this article, therefore, to evaluate from the economic point of view the feasibility of removing trade restrictions among the fifteen member countries of the OEEC. After a discussion of the advantages that may be expected from liberalization, reasons will be offered why, given the present

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1 Council of Europe, Secretariat General (S G/R[52]16 final): *Economic Relations with Overseas Countries*, August 27, 1952, ch. II, esp. p. 31, n. 1.

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state of affairs, liberalization should be effected by a customs union rather than by non-discriminating agreements. An estimate will then be made of the increase in intra-European trade that would result from the abolition of tariffs among participating countries, and the monetary consequences will be appraised. Finally, the general principles of the tactics required to overcome the apparent reluctance of governments to undertake trade liberalization will be tentatively formulated.

I. The Advantages of a Customs Union

Productivity and the Expansion of Production

When the major goals of liberalization are discussed, it is often assumed that expansion of production, following upon an expansion of trade, has automatic effects on the general level of productivity. Yet this relationship requires some further explanation, for these effects are of utmost importance when ends and means of trade liberalization are considered.

In the light of what was learned in the United States during and after World War II, particular attention must be paid to the production experience of management and workers as the scale of output changes. Each time mass production of a new product was started, whether bombers or Liberty ships, the same phenomenon was encountered: a close functional relation between productivity at a given moment and total accumulated production up to that moment. American experience was the same after the war, when reconversion to peacetime conditions took place. The relation between productivity and cumulative output, when presented in a graph, is a "learning curve."

Of the main factors said to contribute to this dependence of productivity on output,[2] some are external and others are internal to the individual enterprise. The main factors operating within the individual enterprise are (1) improved training of workers and working conditions (progress of direct labor); (2)

[2] See, e.g., Werner Z. Hirsch, "Manufacturing Progress Functions," *Review of Economics and Statistics*, XXXIV (May 1952), pp. 143ff.; and Frank J. Andress, "The Learning Curve as a Production Tool," *Harvard Business Review*, XXXII (January-February 1954), pp. 37-38.

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improvements in organization, i.e., division of labor, planning, and routing (progress of management); and (3) improvements in construction methods and in the composition and design of the product itself (progress of the engineering department). The main factors operating externally as well as within the individual enterprise are (4) improvements in production and delivery methods made by the suppliers of raw materials and semi-finished products; (5) improved training and educational facilities and emergence of a labor force of the required skill and size; and (6) increased technical knowledge of production methods and product resulting from increased production (induced inventions).

These are not all the relevant factors, but they suffice to explain why productivity rises as production expands. It is important to note that the external economies occur within the national framework. Productivity advances resulting from progress made by suppliers of material, from better vocational training, or from induced inventions are gained on a national rather than on an international scale. International "technical assistance" would be unnecessary, if this were not the case.

The relationship between output scale and productivity applies to established as well as new industries and products. Empirical evidence shows that in the United States, the United Kingdom, and other European countries, productivity increases most in those branches of industry that expand rapidly. On the other hand, productivity as a rule does not rise where production is stagnant.

In general, it is true to say that if production in a manufacturing industry increases by 10 per cent, productivity can be expected to increase by about 5 per cent. Of course, this ratio will obtain only over the longer run and not during the business cycle. But it is exactly this long-term aspect that makes the relationship a valuable tool when dealing with the problems of a wider market for European products.

It should be emphasized that it is the size of the total output of the individual product which is decisive for the growth of productivity; the size of the individual enterprise itself is of

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much less importance. Hence it is not necessary to concentrate production in the largest possible enterprises. The crucial factor is a concentration of production that will enable European production to realize the optimum size of the average series for the individual product.

PRODUCTIVITY AND LIBERALIZATION OF TRADE

From this point of view, a special function can be attributed to trade liberalization. It is generally accepted that production series are now in many cases too small and the product line too differentiated because national markets are too narrowly limited.

If liberalization is accomplished by means of a customs union, the participating countries will be affected in two ways. First, liberalization will lead to automatic specialization by enterprises in the participating countries. As a consequence of increased competition, each enterprise will limit its production to those types of products with which it has the greatest accumulated experience and for which it has the lowest cost of production. Geographical expansion of the market will make specialization in a reduced number of products profitable. Considered as a unit, the member countries will automatically gain from liberalization because buyers will be able to purchase from lowest-cost producers, and because productivity will generally mount as production series are increased in size. This rise in productivity may be expected to equal about half the percentage of the rate at which national production of the product concerned is expanded.

Another important effect of trade liberalization through a customs union lies in the fact that member countries will maintain a uniform tariff against non-members. This in turn will have an important side effect. Varying with the possibility of substituting European for non-European goods, an expansion of the demand for European goods will take place. This expansion of demand will contribute considerably to the expansion of European production and intra-European trade. At the same time, it will reinforce the tendencies toward specialization

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originated by the demolition of tariff walls between member countries. This substitution effect will result from discrimination against non-member countries, to be sure, but it should be borne in mind that this discrimination is only incidental to closer economic cooperation among the member countries. It is not a matter of an intentionally aggressive tariff policy against non-participating countries, and therefore might well be described as "passive discrimination."

Internal liberalization will bring about the same advantages for Europe in respect to production techniques as have been enjoyed by the United States for a long time. It should be remembered that the United States managed to maintain free trade among the states, while protecting its industries adequately against the formerly advanced industries of Europe. The favorable effect of this liberal and yet at the same time protectionist system on the industrial development of the United States has been emphasized by experts like Schumpeter.[3] The present situation of European industrial development is similar to that of America in the past. In order to achieve a durable equilibrium in its dollar balance, Europe must be able to compete with the United States either in America itself or in third markets. In order to reach this competitive position, however, an initial impulse is needed to accelerate the normal rate of European industrial growth. In its turn, this acceleration is a prerequisite to the necessary increase in productivity.

EFFECTS ON SALES PROMOTION AND SUBCONTRACTING

Trade liberalization will have still other benefits. Apart from rising productivity in the purely technical field, it should bring about considerable progress in commercial organization, which in turn will further stimulate trade and productivity. The simple fact that neighboring importing countries will not be able to introduce new trade barriers will cause closer commercial relations abroad. Likewise, subcontracting will be facilitated to a

[3] "The Influence of Protective Tariffs on the Industrial Development of the United States," *Proceedings of the Academy of Political Science* (May 1940), pp. 2-7; reprinted in Richard V. Clemence, ed., *Essays of J. A. Schumpeter*, Cambridge, Mass., 1951, pp. 164ff.

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much greater extent than hitherto. Use of subcontracting is being increasingly recognized as a prime condition for specialization within and between nations.

In the event of trade liberalization, the productivity of sales organizations can also be expected to rise as increases in the size of the average enterprise set in motion a learning process comparable to that observed in manufacturing production. The strong competitive position of the large enterprise should often be credited to its skill and experience in sales organization rather than to a purely technical superiority in production.[4] Today, European sales techniques are probably just as underdeveloped as European techniques of factory production. This consequence of liberalization may be especially important in regard to European competitiveness in exporting to non-participating countries.

II. The Effects of a Customs Union on the Volume of Trade

Although the theoretical arguments offered in the preceding section pointed to some of the advantages to be expected from a customs union, they did not permit any quantitative evaluation. No exact forecast of all the consequences of a customs union can, of course, be made. Nevertheless, we may try to obtain at least a general idea of the approximate order of magnitude of the changes in the volume of trade that will result from a customs union among the OEEC countries. Since the theoretical basis of this evaluation, as well as the necessary computations, are beyond the scope of this article, a short summary of the results will have to suffice for our present purposes.[5]

The findings presented below deal with a customs union among only ten of the fifteen OEEC countries, and the three Scandinavian countries are, moreover, treated as a unit. Only the effects of tariff cuts are studied, since nothing is known about the effectiveness of quota regulations. Tariffs between the participating countries are considered abolished, while the

[4] Cf. R. G. Hawtrey, "The Nature of Profit," *Economic Journal*, LXI (September 1951), pp. 489ff.

[5] A complete exposition of the method used is given in Reprint No. 22 of the Central Planning Bureau, The Hague (available upon request).

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tariff applied to non-participating countries is—for each commodity group—the weighted average tariff of participating countries prevailing in 1952. Tariff cuts are made only for semi-manufactured and finished products, since the duties on raw materials are comparatively low and their importation is, moreover, an unavoidable necessity.

Two sets of consequences of a customs union, thus restricted, are of importance: (1) those pertaining to changes in volume and pattern of trade—for, if they turn out to be negligible, no effects on production and productivity can be expected; and (2) those pertaining to changes in the balance of payments of participating countries—the monetary consequences of the union. A yardstick for measuring the monetary consequences in participating countries will be found by assuming that each country will revise its rate of exchange so as to maintain its initial surplus or deficit on current account. The change in the exchange rate thus required will therefore indicate for each country concerned the degree to which its monetary situation will be affected by the union. However, since none of these "required" corrections appears to exceed 10 per cent, it is realistic both to suppose that all participating countries will refrain from revising exchange rates and to base expectations of changes in trade volumes on this assumption.

Taking into account only the immediate effect of tariff removals, and neglecting the influence of changes on productivity, the main results of the computations can be summarized as follows.

(1) *Changes in the Monetary Situation.* If each country desired to maintain its initial surplus or deficit on current account, the resulting adaptations in the rates of exchange would be those shown in Table 1. According to these figures, no member country should have to contemplate devaluation as an immediate consequence of the tariff cuts. This seems to imply that the general monetary chaos which, it is often predicted, would result from a complete abolition of tariffs against member countries does not necessarily follow. Although only an approximate value, of course, can be attributed to the figures for each individual

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TABLE 1

	Required correction of exchange rates (in per cent)	*Weighted average of tariffs prior to union* (in per cent)
Denmark, Norway, and Sweden	+10.0	9.7
Belgium and Luxembourg	+5.7	10.2
Netherlands	+9.7	11.0
United Kingdom	+3.4	12.4
France	+2.3	21.9
Italy	+3.8	24.9
Western Germany	+1.9	33.5

country, the general tendency of the mechanism seems clear enough. The higher the average level of the former duties, the smaller will be the possibility of currency appreciation. This only means that high tariffs are equivalent to overvaluing the currency of the country under consideration.

(2) *The Uniform Tariff Against Non-member Countries.* Devaluation can be avoided even when fairly high tariffs are removed, because the perpetuation of tariffs against non-member countries will tend to make exports rise more than imports. The resulting surplus will be sufficient to prevent the necessity of depreciation, even in those cases where small additional imports from non-member countries are to be expected. The level of the uniform tariff therefore appears to be of vital importance. Monetary difficulties will begin as soon as it falls as low as 50 per cent of the former average (see Table 2).

(3) *The Volume of Trade.* The most important result of the total abolition of tariff walls between participating countries will be an increase in intra-bloc trade of roughly $1 billion, or 19 per cent, assuming that all member countries refrain from revising their rates of exchange. If revisions were undertaken to the full extent given in Table 1, so as to maintain the *status quo ante* in the balance of payments, the expansion of intra-bloc trade would amount to only $750 million, or 14 per cent. Without exchange rate revisions, total exports of the

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TABLE 2

THE "REQUIRED" CORRECTIONS IN THE RATE OF EXCHANGE CORRESPONDING TO DIFFERENT LEVELS OF THE UNIFORM TARIFF AGAINST NON-PARTICIPATING COUNTRIES

(+: percentage of appreciation; —: percentage of depreciation)

		UNIFORM TARIFF EQUALS		
	No tariff against non-participating countries	*50 per cent of average tariff prior to union*	*Average level of tariff prior to union*	*125 per cent of average tariff prior to union*
Denmark, Norway, and Sweden	— 2.1	+4.0	+10.0	+13.0
Belgium and Luxembourg	— 5.0	+0.4	+ 5.7	+ 8.4
Netherlands	— 4.7	+2.5	+ 9.7	+13.3
United Kingdom	— 7.2	—1.9	+ 3.4	+ 6.1
France	—10.2	—3.9	+ 2.3	+ 5.4
Italy	— 8.7	—2.5	+ 3.8	+ 6.9
Western Germany	—10.3	—4.2	+ 1.9	+ 5.0

member countries will increase by 6½ per cent; if revisions are applied, this figure will fall to nearly zero.

It is important to note that 60 per cent of the total increase in intra-bloc exports will come about because trade is diverted from the outside world. However, orthodox free-traders may feel reassured because, under the conditions assumed, the over-all change in world trade will be a rise by more than $400 million, or because, even in the case of currency revisions, no significant decrease in total trade will occur.

As shown in Table 3, the total changes in each country's intra-bloc exports and imports indicate that a customs union would not tend to dislocate the over-all position of member countries with respect to the bloc as a whole. In fact, imports and exports of an individual country tend to change in about the same proportion. This seems to point to the conclusion that the formation of a customs union will foster—in its initial effect at least—the exchange of commodities within an industry through an extended division of labor, rather than upset the balance between exports and imports.

(4) *The Balance of Payments with Non-participating Countries.* Regarding the balance of payments with non-participating countries, only the case of constant rates of exchange is rele-

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TABLE 3

EXPECTED CHANGES IN TOTAL INTRA-BLOC TRADE
(in million dollars; 1952 prices)
(NC: no correction in rates of exchange; C: with corrections)

	Exports		*Imports*	
	NC	*C*	*NC*	*C*
Denmark, Norway, and Sweden	233	113	118	134
Belgium and Luxembourg	85	50	72	49
Netherlands	141	15	47	56
United Kingdom	147	152	310	192
France	120	129	139	97
Italy	103	94	88	71
Western Germany	164	197	219	151
Total	993	750	993	750

vant. As has been stated, imports from the outside world will then be reduced by $600 million—a figure, be it recalled, which refers only to semi-finished and finished products, and excludes coal and steel. As semi-manufactured and finished products are imported largely from the dollar area, this figure gives at least a general idea of the extent to which a customs union might contribute to a durable equilibrium in the dollar balance of Western Europe.

(5) *The Elements of Risk for a Participating Country.* The general findings presented so far leave no doubt as to the favorable effects of a customs union on the economic situation of the bloc of participating countries taken as a whole. Nor do our findings suggest that any particular country will be the loser, at least in the short run. It is quite possible, however, that certain countries will be affected unfavorably in the long run. Trade liberalization tends to concentrate the manufacture of a specific product in those countries where accumulated technical experience and the general level of costs offer the most favorable conditions. It is possible, therefore, to envisage a country with less favorable conditions losing a considerable part of its production to partners who are industrially more advanced.

Actually, neither our general figures nor detailed calculations

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for nine major branches of production (not reproduced in this article) point to initial changes in the pattern of trade of sufficient importance to provoke drastic dislocations. However, these figures represent average expectations, and averages are apt to conceal fairly large deviations. Whatever may hold for aggregates, therefore, will not necessarily hold for a particular component. Hence it is possible that the removal of tariffs may seriously affect one or more industries in a particular country. For this reason, it would be foolish to deny that an individual country runs long-term risks which are inherent in an agreement to liberalize trade.

III. The Tactics of Liberalization

STRATEGY VS. TACTICS

Conscious of its dependence upon various vested interests, each participating government will inevitably encounter resistance to liberalization. This resistance is expressed in the innumerable "escape clauses" which have threatened to make every liberalization proposal ineffective. Unfortunately, theoretical discussion has concentrated more on the final goals of liberalization than on the need to overcome resistance to freer trade. The *integratum* has prevailed over *integratio*, and the discussion of strategy still dominates that of tactics. Ignorance of proper tactics is indeed a major handicap to implementing a liberalization of trade.

The following tactical ideas or directives are based in part on a generalization of experience—as yet, unhappily, very fragmentary—and in part on a simple working hypothesis. These directives are formulated as five general principles: (1) the principle of continuity; (2) the principle of the equal start; (3) the principle of concrete compensation; (4) the principle of generality; and (5) the principle of the concentric approach. They will first be deduced and formulated, and their application to the problem of tariff reductions will be tested. It may then appear that by use of these five principles tentative conclusions can be put forward concerning the tactics of liberalizing intra-Western European trade.

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(1) *The Principle of Continuity.* Unlike the entire bloc of countries participating in liberalization, the individual country is always subject to a certain degree of risk, since, in principle, there may be losers as well as winners among the participants. The chances of loss may be very real indeed if one or more markets are liberalized precipitately. And a risk may be feared even though it does not exist in actuality, for the complex functioning of the economic mechanism makes it hard to predict the ultimate result of a far-reaching change. A high degree of uncertainty, therefore, is inevitable even when the real risks are small.

Governments are generally unwilling to assume the burden of either risk or uncertainty. Both private enterprise and trade unions fear and oppose abrupt changes in market conditions. This holds true also for authorities directly responsible for ensuring food supplies, the foreign currency position, an acceptable level of domestic employment, and so on. Obviously, the smaller the risk and uncertainty, the less resistance will be encountered by a move toward liberalization. For this reason, a liberalization project should offer the necessary guarantees against abrupt disruptions of existing economic and social patterns. There should be fairly safe expectations that no balance of payments deficit or no "depressed area" will be created. The first tactical principle, therefore, is the principle of continuity. Once adequate continuity of existing arrangements is secured, the risks of liberalization are minimized.

(2) *The Principle of the Equal Start.* A very important guarantee of continuity is given when the domestic competitive position is certain not to be affected immediately by liberalization. No doubt, governments will be more willing to remove the protection of the domestic market if domestic industries have an opportunity to adjust to new conditions—that is, if they can enter the competitive struggle with foreign export industries without a crippling handicap. Thus, from the principle of continuity follows the principle of the equal start.

(3) *The Principle of Concrete Compensation.* Any government vested with responsibility for continued development will

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be sensitive to the expected effect of trade liberalization on economic and social progress. This means that availability of concrete compensation should be offered as an insurance against risk. Only with this principle established can governments feel free to go ahead with tearing down trade barriers. The principles of the equal start and of concrete compensation are both instrumental in realizing the necessary continuity.

(4) *The Principle of Generality.* If the stultifying casuistry of escape clauses is to be avoided, compensation must be as general and as automatic as possible; generality of provision tends to give maximum insurance. Therefore, general regulations regarding pace and methods of liberalization should be preferred to specific regulations that apply only to certain countries, industrial branches, or commodities. Thus, the demolition of tariffs will have to be effected within the same period and in the same way for all products and in all participating countries. A country whose tariffs and costs of production are high in comparison with those of other countries cannot be compensated by the subsidization of individual industries. Compensation, however, can be effected in a general way through an adaptation of the rate of exchange. As a rule, devaluation should be permitted automatically, if the fall in import prices exceeds certain limits as a result of tariff reductions owing to liberalization during the preceding period. If it proves necessary to subsidize temporarily a particular branch of an industy in a particular country, then this subsidy should be paid from a general compensation fund in accordance with general rules, and not from a fund that is administered and financed by the industry itself.

(5) *The Principle of the Concentric Approach.* Since plans for liberalization, whether they pertain to commodity trade or to the movement of capital and labor, become more acceptable when abrupt changes can be avoided, it is important that liberalization be undertaken gradually in each of these fields. For this very reason, however, it would be most inefficient to liberalize these fields one by one, as has sometimes been advocated. Since only very gradual progress can be made in each field, liberalization should be put into effect simultaneously in all fields. The

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period of time required to complete liberalization can thus be reduced by what may be called the principle of the concentric approach.

This principle can be supported on both positive and negative grounds. National protectionism takes effect through different methods: import duties, quotas, foreign exchange control, etc. The entire system is comparable to a system of communicating vessels: if protectionism is pressed down in one, it tends to expand in another. For example, free currency convertibility is not in itself a worthwhile goal. It is of value when it allows purchases to be made readily in the cheapest market. Little would be gained, therefore, if import restrictions were made more severe in order to reintroduce convertibility. Formal convertibility is of slight material significance. To give another example: after the liberalization of quantitative import restrictions was agreed upon in the fall of 1949 by the members of the European Payments Union, there was a rise in the average import duties of continental Western Europe. What was given with one hand was taken back with the other. To gain ground slowly but surely, liberalization must be effected simultaneously in all protectionist measures.

Furthermore, the concentric approach will not necessarily strain a national economy more than a selective approach would. Industries protected by means of high import duties are often not protected by quota regulations as well. In that case, simultaneous reduction of quantitative and qualitative import restrictions spreads liberalization evenly over all industries.

There are other advantages to removing all kinds of restrictions at the same time. If modernization of industry in a given country becomes necessary as a consequence of liberalization of trade, then freedom of capital transfer may be a prerequisite for obtaining the required capital. This will tend to reduce the risk of an industrially underdeveloped country becoming dominated by its more advanced partners. Again, if liberalization of trade reveals a surplus in the agricultural labor force of some countries, free mobility of labor and goods is an obvious advantage. It should also be realized that a move toward currency

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convertibility may be facilitated by tariffs in the event of the formation of a customs union. As was shown above, total imports from non-participating countries will be reduced by $600 million as a customs union is established; and this might well improve the balance of payments position of the countries in the customs union vis-à-vis the outside world.

Import duties and quota regulations can be reduced annually by any amount or percentage desired. While it seems less likely that currency convertibility and labor mobility can be dealt with in the same gradual way, it nevertheless remains important to devise schemes for subjecting these sectors as well to the concentric approach.

THE TACTICS OF TARIFF REDUCTIONS

The tactics of tariff reductions are concerned with several difficulties. First, the level of tariffs differs markedly between products and countries. A uniform period in which reductions were to be completed would therefore subject the vested interests of capital and labor to uneven disturbances. The question of fairness apart, the principle of continuity requires—for purely opportunistic reasons—that exceptions be admitted in one way or another whenever uniform reductions would cause undue harm and evoke considerable resistance.

Secondly, successive tariff cuts will have an increasing impact when reductions are of equal size. The pressure applied upon governments to cancel agreements on tariff reductions will therefore become heavier as liberalization proceeds. For example, many tariffs are higher than necessary for protectionist purposes. The first cut or cuts in the duty may therefore have no effect at all. So far as protection is effective, a greater number of firms may enjoy relatively large profits than would be the case with free trade. To that extent, initial tariff cuts may not immediately hamper home production. Even when prices fall below production costs as a consequence of increased imports, price-saving measures can be taken and efficiency may be increased. But this possibility of reducing unit costs will diminish gradually. Eventually, additional investments for modernization and, final-

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ly, complete reorganization of output may become necessary if the industry is to survive. Successive cuts of equal size have increasing impact in this sense. Hence, if an equal impact upon domestic production is desired each year, the annual fall in prices resulting from tariff reductions should become less and less.

In addition to these common-sense expectations, there are two very important technical arguments in favor of liberalizing trade by successive cuts of diminishing size but equal impact. First, the supply curve of home production as well as of imports can usually be assumed to be S-shaped, like the well-known curve of population growth. If the tariff has permitted only negligible imports, it follows necessarily that the fall of prices on the home market will increase with each subsequent tariff reduction of equal size until the steepest portions of the supply curves have been reached. Secondly, although the elasticity of substitution of imported for domestic products, or vice versa, is as a rule fairly constant, its effect on demand, if measured in absolute terms, is well known to vary with the share in the market. The substitution of imports for home products tends to increase up to the point where the share of imports in total consumption equals 50 per cent. Hence, in the case of the perfect protectionist tariff —i.e., one which admits no more than negligible imports—this tendency will reinforce the influence exerted by the S-shaped supply curve. Combined, these two effects will cause a rapidly increasing fall in prices even if successive tariff reductions are of equal size.

If systematic tariff reduction is desired, therefore, there is a strong case for making each successive reduction of trade barriers smaller than the preceding one. To do so has the additional advantage of reconciling the requirements of continuity of development and generality of measures.

In the ideal case, the principle of continuity requires that no vested interests will be expropriated. This condition will be approximated when the complete abolition of tariffs is spread over the average life span of capital or of labor, as the case may be. The average life span of invested capital is about twenty-five

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years. The average time during which a person is employed in an industry is also about twenty-five years, allowing for normal changes in occupation. In order to distribute the impact of successive tariff cuts evenly over this period, the reduction should proceed with an equal annual percentage of the residual level of the original tariff. In this way, all tariffs, whether or not they are *ad valorem* on specific duties, will decrease gradually in the same manner as a geometric series. As shown in Table 4, this procedure implies that fairly "liberal" tariffs—say, of 10 per cent or less, if computed on an *ad valorem* basis—will be reduced to at least 2 per cent within ten years; and that decidedly "protectionist" tariffs—say, of 50 per cent—will become fairly "liberal" —i.e., 10 per cent or less—within ten years, and will be reduced to 2 per cent on an *ad valorem* basis within twenty years. In this way, industries accustomed to high tariffs are automatically granted an additional period of relative shelter. This will undoubtedly facilitate their adjustment to more effective production methods or their conversion to more promising products.

Clearly, the application of a simple and uniform percentage reduction of all existing tariffs can largely replace the use of

TABLE 4

GRADUAL REDUCTION OF A TARIFF WITH A FIXED ANNUAL PERCENTAGE OF ITS RESIDUAL LEVEL

Year	*Residual tariff* (as a percentage of its original level)	*Original level: 50 per cent* (computed on *ad valorem* basis) Remaining tariff	Annual decrease of import price plus duties	*Original level: 10 per cent* (computed on *ad valorem* basis) Remaining tariff	Annual decrease of import price plus duties
0	100	50	—	10	—
1	83	41.5	5.7%	8.3	1.5%
2	69	34.5	4.9%	6.9	1.3%
3	57	28.5	4.5%	5.7	1.2%
4	48	24	3.5%	4.8	.9%
5	40	20	3.3%	4.0	.8%
6	33	16.5	2.9%	3.3	.7%
7	28	14	2.2%	2.8	.5%
8	23	11.5	2.2%	2.3	.5%
9	19	9.5	1.8%	1.9	.4%
10	16	8	1.4%	**1.6**	.3%
15	6	3	.5%	.6	.1%
20	2.5	**1.5**	.5%	.25	—
25	1	.5	.2%	.1	—

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escape clauses and exceptional remedies. It would ensure generality of method and, at the same time, a more equal impact of successive reductions in trade barriers. In addition, the most spectacular results will be shown during the first few years after liberalization has been agreed upon. If the method just advocated appears overprudent, it should be remembered that institutional rigidities and the deep-seated attitudes created by a century or more of protectionism cannot be removed overnight.

The idea of the concentric approach means, furthermore, that quota regulations should be reduced annually at the same percentage as tariffs. Otherwise, of course, tariff reductions might be ineffective.

Although the impact of tariff reductions will be spread more or less evenly over time for each country, the decrease in import prices will be considerably greater in protectionist than in nonprotectionist countries. If the principles of the equal start and of specific compensation are observed, such a country should be allowed to devaluate its currency in accordance with the tariff reductions it has made. The limits of this optional devaluation would be set by the average percentage reduction of all import prices resulting from the tariff cuts made from the beginning of trade liberalization. The price declines should be weighted against the corresponding imports from participating and nonparticipating countries in a current year.

It is surprising that none of the existing plans for trade liberalization have made provisions for optional devaluation. In the classical example of Portugal and England, the two countries could not have traded wine and cloth with gain on both sides, had their rate of exchange not allowed for existing differences in money costs. Therefore, when liberalization of trade is seriously contemplated by a great number of countries, it seems advisable for the International Monetary Fund to agree to alterations in the rate of exchange. This is not to say that such devaluation will in fact prove necessary. But it may prove necessary, and liberalization projects must make provisions for dealing with particular risks, however small the likelihood of trouble may be.

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IV. Conclusions

(1) Given the present state of affairs in Western Europe, a customs union would be beneficial, at least from an economic point of view.

(2) Taking into account only complete tariff removals, the increase of intra-bloc trade would probably be of the order of magnitude of approximately 20 per cent, i.e., about $1 billion.

(3) Since a customs union discriminates against imports from the outside world, such imports could be expected to fall by about 6 per cent, thus possibly contributing to the restoration of equilibrium in the balance of payments of Western European countries with the rest of the world.

(4) Moreover, the maintenance of a uniform tariff equal "to the general incidence . . . prior to the formation of such union" appears to be essential to the economic feasibility of the customs union. If the complete removal of tariffs against non-members were to be considered, for example, monetary difficulties as well as some decline in the standard of living would have to be anticipated.

(5) As for the actual pursuit of trade liberalization, the tactical situation requires a more systematic and comprehensive approach than appears to be compatible with the opportunistic policies hitherto followed in Western Europe. Protectionism serves numerous interests and governments are well aware of their responsibilities to these interests and of the necessity of not jeopardizing their own economic progress. Hence liberalization will be better served by proposing successive and small measures that reduce simultaneously protectionism in all its forms rather than by a more spectacular but one-sided attempt.

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THE INTERNATIONAL ARENA AS A SOURCE OF DYSFUNCTIONAL TENSION

By MORTON A. KAPLAN

TENSION is not of itself an evil. Indeed, certain levels of tension are necessary if either life or social processes are to occur. Therefore, tensions may be either functional or dysfunctional. Dysfunctional tensions produce an inaccurate orientation to reality, impede or prevent the attainment of desired goals, or permit their realization at an unnecessarily high cost. Dysfunctional tension is, in general, undesirable, although it may at times be an appropriate instrument of policy. It should not be assumed that international tension is a cause of war, at least in a simple or direct fashion. Dysfunctional international tension is, however, usually productive of undesired consequences.

Of course, the extent and kind of dysfunctional tension which develops depends partly upon the specific social structures of the individual actors within the international arena, i.e., the nation states.[1] However, it is necessary to restrict our attention to one special phase of the problem, namely, the dysfunctional tension that the social structure of the international arena tends to produce.[2]

An interesting feature of the international arena is that it is a social structure containing a very small number of actors and that it is not subsumed in a larger social system which includes the members of the international arena directly. This fact has serious consequences for the action which occurs within the system. The statistical averaging-out which forms the basis of actuarial systems cannot be a feature of the play of the game in this system. The importance to the system of some individual members or actors looms so large that individual changes in

[1] Nation states do not exhaust the membership, but we cannot examine the matter further in this article.

[2] The inference that a different form of international social structure would be less productive of dysfunctional tension is a possible rather than necessary conclusion.

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membership or relative power may alter both the form of the social system and the play of the game in a decisive and radical fashion. For confirmation of this point, one has only to consider the consequences of the change in the international situation from the nineteenth century to the interwar period, or to the present essentially bi-polar structure. Again, one may consider the shift from the wartime dictatorship of the "Big Three" to a situation in which smaller powers can upset the policy calculations of the major powers. In addition, a player's gambit may change the rules of the game, and, if a contestant loses, he may not be able to reenter the game by acquiring a new set of chips. The stakes are very high in such a game and, therefore, the cathectic significance of action increases and dysfunctional "swings" of behavior are facilitated. This situation is exacerbated if the important actors are oriented to fundamentally different types of goals.

Since the number of actors is small, behavior in the international arena tends to be non-repeatable. In some aspects of the domestic economy, one anonymous actor leaves the market and another enters it, but the same game continues. The international game produces much greater novelty. Korea and Indo-China are different gambits. Their origins, importances, and characteristics differ. Should an agreement be reached with regard to Korea, a new act of aggression would be essentially different from the first act. Knowledge that the aggression would be opposed introduces a different calculus. The non-repeatability of precisely commensurable situations in the game entails an indeterminedness or ambiguity for which the human agents of the actors have a limited tolerance. The lack of clear-cut and ready-made solutions imposes a strain toward such solutions. And frequently they are of the fish-or-cut-bait variety and therefore more definite than the circumstances warrant. The agents, in the effort to give structure to the situations confronting them, tend to reduce the alternatives available to them. Various amendments to foreign aid bills passed by the United States Congress fall within this category.

Behavior, then, is relatively non-repeatable and the actors are

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more highly particularized than are actors within the domestic arena. However, the behavior pattern of the actors changes within limits. Consider, for instance, the change of Great Britain's behavior after the shift from Chamberlain to Churchill. On the other hand, contrast the continuity of foreign policy from Conservative to Labor to Conservative government in Great Britain. It is no good to construct a typology as the salesman may construct a typology of customers, for here it is a specific actor whose behavior is important and the specific determinants of that behavior are not going to be evened-out by the law of averages.[3] This frustrates the abstract generalizing tendency of the human mind and introduces an uncertainty which can paralyze action in indecisiveness or release tension by abrupt and inappropriate action.

The inability to abstract produces an overreaction in the direction of abstraction and the literature relating to the international arena is therefore singularly poor in descriptive power. "Nationalism" explains the behavior of modern states. States are "aggressive" or "peace-loving," "imperialistic" or "conservative," "aggression unpunished will raise its ugly head again." Literally, the variety of decisive experiences and their very failure to reduce themselves to a typology are responsible for the overly abstract nature of descriptive generalizations, which, in their turn, reflect a dysfunctional and inaccurate orientation to reality. Likewise, historians tend to fit the policies of states into a rigid framework and to introduce an artificial consistency into them. An artificial rationality is also introduced into these policies. One cannot fail to be struck by the fact that international decisions seem to be made first and the reasons found later. But this, strictly speaking, is not a function of the international social structure except to the extent that the irrationality is induced by the inability of the agents to orient themselves accurately because of the small number situation or some other element of the social structure.

The small number situation is also partly responsible for the

[3] For this to follow, we require only the additional assumptions that the actors are structured complexly and that their four-dimensional environments are variegated.

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failure of expectations to be fulfilled. To an extent, this is a corollary of our previous conclusions, i.e., the changing character of the game, the non-repeatability of the items in the game, and the highly individualistic characteristics of the actors. On the other hand, one element responsible for reliability of action is an expectation by the actors that *this* is what "ought" to be done. As Wolfgang Kohler says, when something happens often enough, it acquires a "rightness." People become used to it and it is accepted as given. Yet the relative variety of decisive international experiences precludes, or at least makes more difficult, the development of a standardized system of expectations. In addition to external factors, therefore, there is also a problem of motivation, which, while related to or even the result of these external factors, nevertheless becomes a separate and distinct source of dysfunctional tension. One actor cannot depend upon the action of other actors. Such a situation can be expected to facilitate paranoid interpretations of reality and pathological behavior, although the degree to which this would be true would depend upon the thresholds of individual agents for such behavior and the extent to which the state's social structure stabilizes their response patterns.

The failure, so to speak, of a "collective" superego to develop can be traced partly to other elements in the international social structure. The mediation of selected agents of actors, i.e., of diplomatic agents, between the actors means that for the mass of individuals, who in their social relations constitute the state actor, the play of the international game lacks reality, although certain consequences of the game—for instance, war—have immediate consequences of a heroic order. Thus commitments entered into in the playing of the game acquire an alien cast and diminish in binding quality, viz., public and Congressional reaction to our Yalta commitments.

The indirect nature of the consequences of the playing of the international game is also at issue. The game, after all, is not played with either recognizable or uniform counters and the chain between action and consequence may be both attenuated and confused by the multiple nature of the action pattern.

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In the first place, the game is not played with monetary coins of given weight and composition. The medium of exchange is power, which is relative rather than absolute, which is instrumental rather than thinglike, and which is composed of incommensurables like guns, standards of living, morals and morale, etc., these items being related in a highly complex and, as yet, at least partly unresolved fashion. Since the means, or the medium of exchange, is not necessarily the end—the means is power relative to others; the end is power to live in a certain fashion—the means-end problems become quite acute and the game itself acquires a non-zero-sum character. In other words, the supply of goods is not a constant; one state's gain is not necessarily another state's loss. In fact, all may gain or all may lose in the playing of the game.

In addition, the effects of policy are remote. What are the effects of President Eisenhower's address upon the European policy of the Soviet Union? The chain of consequences is neither unilinear nor direct. While the means-end problem confuses the goal of action, the indirection of effect confuses the penalties and rewards of actions. These conditions minimize the development of superego rules of behavior regulating action in the international arena, or at least the absorption by agents of international problems within a system of normative rules according to conscious or unconscious analogy. At a non-psychological level, they tend to reduce restraints upon the agents by making it difficult to fix responsibility for consequences upon them. The indeterminacy effect in the international arena reinforces this, i.e., the tendency of expectations underlying policy to produce certain of the effects predicted for them. When an attempt is made to fix responsibility—as with our China policy—the net result may be a refusal of agents to make any decisions, since the "ability" to fix responsibility varies directly with the difficulty of fixing responsibility.

Another factor contributing to unreliability in the international arena is the degree to which action in the arena is instrumental. That is, the other actors are evaluated according to the ability of the actor to use them for his ends, regardless of whether

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this also facilitates the attainment of ends which they value highly. While this state of affairs is not a necessary one, the reasons for its existence are quite strong. Among them are the smallness of the number of actors involved in the play of the arena, the variability of the situations confronting the actors, and the difficulties of predicting the behavior of actors. In addition, the mediation of the relationships among the actors permits the internal structure of the actors to develop along different lines, and to be oriented to ends which are different—perhaps fundamentally different. These effects may be modified somewhat by the growth of supranational organizations which acquire the status of actors with respect to certain areas or types of actions.

These remarks do not exhaust the list of factors leading to dysfunctional tension within the international arena, even if attention be restricted to those factors produced by the specifically international features of the social system. Should their existence be deemed important, however—even when stated at this high level of generality—it may prove desirable to orient policy, at least in part, to take them into account, for it is quite conceivable that certain actions, by increasing the dysfunctional orientation of other actors, may produce undesired reactions. It is not possible to think of therapeutic policies in the same sense in which the social worker may consider them and we cannot dwell on either the gross or subtle differences in the problem, but the conception may be worth not overlooking.

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Review Articles

A MONETARY ECONOMIST ON POWER POLITICS

By CHARLES P. KINDLEBERGER

R. G. Hawtrey, *Economic Aspects of Sovereignty*, London, Longmans, Green and Company, 1952, 191 pp. 24s.

THE economist is blessed among social scientists in his possession of a single, simple, and central instrument of analytical equipment, the price system. Ringing the logical changes on demand and supply, and examining the course of prices in the real world for separate commodities and as a whole, he has been able to adduce a string of useful theorems and explain a few of the historical facts of economic life. It is true, as a physicist once explained, that "everything is more complicated than most people think"; but the price system has provided an organizing system of great usefulness, if not a pregnant hypothesis, with which the economist can attack reality.

As he views his sister social sciences, the economist continuously finds himself suspecting that there must be similar analytical tools, capable of organization into logical systems deductively, and fitting the data for inductive work. If only there were, for example, a decent measure of "social cohesion" at the family, local, class, national, or world level!

It may be his methodological advantage which encourages the economist to wander into neighboring fields. The present essays, by R. G. Hawtrey, are essentially an exercise in international power politics. Jurisdictionally speaking, it was perhaps presumptuous of him first to write them in 1929, when they were given as Lowell Lectures in Boston, and second to bring them up to date. It is clearly presumptuous for an economist to undertake to discuss them, *a fortiori* outside his own precinct.

The first part of the book consists of the essays as they were written in 1929. They remain fresh and pointed in all but a very few respects. Hawtrey's intended emphasis was on imperialism and the struggles between major powers for economic

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and, inevitably, as he thought, political concessions in power vacuums. But the essays are by no means limited in generality. Hawtrey attacks head-on the question of power. He is interested in its economic origins, the religious, ideological, and patriotic forms it takes, and how it can be maintained in a balanced equilibrium in a world of absolute sovereignties.

In the course of this investigation, Hawtrey explores a number of lesser aspects of the questions of nationalism, imperialism, and international agreements. Many of these excursions have little bearing on the main issues, but all are worth the time devoted to them. The relation of the state to the individual along three separate lines is particularly apt to the discussions of 1954: the state exerts its influence as a wider family of adherents (which is a survival of a primitive religious bond); as a rationally constituted means of organized action (which is a modern rationalization); and as a system of compulsory jurisdiction. Adherents, citizens, and subjects of a state are not identical at the margin, though they are likely to be in the large, and much difficulty arises from the attempt to make them so.

The post-World War II essays add little to what Hawtrey previously said on balance of power. Some of the dated generalizations about capitalistic economic imperialism are modified, since neither Socialism nor Communism appears to have changed the foreign policy of Britain or Russia in essential. The 1929 proposal for adjusting conflict between power and sovereignty along lines of expediency is narrowed from a world to a Western European basis. By and large, however, the new essays are largely historical narrative and the analytical framework remains unaltered.

In economics, Hawtrey is widely admired as a powerful thinker and indefatigable worker, distinguished perhaps principally for his adherence to a unique and probably quite wrong view of the importance of wholesale dealers and their financing by the commercial banking system in the determination of the price level. In the present incursion into politics, he is trying to provide a single, simple, central instrument of analysis. It cannot be said that he succeeds, though he comes close.

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The major concern of the state is prestige. The means to prestige is power. Power is economic productivity capable of being applied as force, and is represented primarily by output of movable goods and capacity to move them (British accent on marine transport). Centers of power come into inevitable conflict. These conflicts are mitigated by distance and by the balance of power. War may occur when a country's prestige is lower than its power. But any balance of power is inherently unstable. Changes in relative power occur and are dangerous. The accretion of power which comes from access to resources in weakly governed countries leads to extensions of territory which develop into expeditions if they are resisted. Rivalry between large powers renders situations of power vacuum dangerous.

Hawtrey goes on to indicate why reliance on international law, which emphasizes rights and duties, is inadequate, since power and sovereignty are both anarchic. His hope for peace would be in a body which set out to resolve conflicts explicitly on the basis of expediency, rather than principle, bearing in mind the balance of power.

This sort of analysis may be satisfactory as far as it goes, but it has of course a limited relevance to particular situations and helps very little in prediction. It is, rather, comparable to the pictures of the infancy and youth of great men which are collected in magazines and books: useful after the event for tracing the origins of present situations, but useless for prediction *ex ante*. The balance of power is a precarious kind of equilibrium; but under what circumstances is it really unstable, so that any departure from strict balance becomes cumulative and leads inevitably to war; and when is it stable, so that disturbances are corrected? Hawtrey does not pursue the balance of power as far as one might expect of an economist, who comes from a discipline brimming with analogous theorems.

One of the major handicaps of international politics is that it deals with a narrowly limited population. Given fifty, seventy, or ninety units, prediction about the behavior of sovereign powers must be based upon very refined analytical techniques. In physics, for example, the behavior of the mass of molecules

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is several orders simpler as a problem than the prediction of the behavior of the separate molecule. In economics, sociology, and medicine there are many problems in which the average reaction can be predicted, the individual one cannot. Occasionally these problems are converted from the law of large to that of small numbers because of interaction among the separate participants —the sharing of views about the future, which turns stabilizing into destabilizing speculation; or physiological contagion, which confounds the actuarial tables. But in politics and international politics one is always dealing with mass interaction or small numbers. This is the sort of problem which economics attempts to deal with, thus far unsuccessfully, in oligopoly—or markets with a few large sellers.

In an industry with economies to scale, like automobile production, it is unrealistic to expect to have a large number of producers. The process of competition is self-degenerative: amalgamation and weeding-out through failure take place until competition develops among a few giants. In some industries, price competition occurs and inevitably goes to excess. This is called price war, and closely resembles the other type. There is a difference: while price wars change the balance of power in an industry (the shares of the market), or restore a position from which change was threatened, they are less likely than modern wars to lead to complete loss of power. This may not have been the case on either score prior to the present century. Earlier shooting wars more frequently stopped short of unconditional surrender, while price wars were continued more usually *à l'outrance,* or to failure and merger.

The interesting question concerns the nature of the forces leading to balance or imbalance. Under what circumstance is a country disposed to disturb the balance of power, and under what to restore it? Hawtrey is right in suggesting that a balance of power is precarious; but political scientists clearly need to work on the nature of the stability conditions. In economics, the question poses itself as follows: when is speculation stabilizing and when destabilizing? When, that is, do speculators assume that any change is going to be reversed, so that they take a position against

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the market, and when do they push the market in an exaggerated movement in a single direction because they believe that change will be cumulative? The claim that speculators broaden the market for normal transactions assumes that speculation is stabilizing; the charge that speculators are responsible for inflation and depression, destabilizing. In close analogy, the balance-of-power "game" is decried by those who emphasize the instability of the resultant equilibrium, approved by observers who focus on the countermoves.[1]

The parallel question in physics and in the new field of cybernetics is, when is feedback negative or positive?

Hawtrey does not attempt to answer this question. To him the balance of power is always unstable. This is certainly an understandable view in the twentieth century, when departures from equilibrium have twice cumulated explosively. But another Englishman, writing of a time when Britain's power to preserve the balance was greater, gives the balance of power high marks as a method of preserving peace.[2] It may be that today, with the growth of its resources and the increase in their mobility in time brought about by air transport, the United States will play an equilibrating role in the European and world polity that will replace the British balance wheel. This is denounced as power politics by those who do not like the distribution of power and prestige in the world, and supported as a selfless contribution to world peace by those who do.

But why are Germany, the Soviet Union, and China (India?) chosen for roles as disturbers and Britain and the United States as rectifiers? There are doubtless those who ascribe the differences to national character. There is more in this perhaps than Hawtrey is inclined to credit. He states that he does not mean to neglect the imponderables of power—military skill, administrative competence, and loyalty of adherents; but he regards them as distinctly subordinate to economic productivity and mobility of output. Temperamental differences, of course, may

[1] I abstain from attempting to suggest the relevance of the "theory of games" for power politics, since I am unable to understand or appraise it.

[2] Harold Nicolson, *The Congress of Vienna*, New York, 1946.

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be an outgrowth of other factors, possibly largely economic, which explain the Danish propensity for Apollonian even temper and the Spanish Dionysian capacity for excess. Witness how the French, who were the scourge of Europe from Richelieu to Napoleon, shifted from a disequilibrating to an equilibrating role, and contemplate whether the Germans, after two defeats, may not develop a national temperament different from that which flourished among them from Nietzsche to Hitler.

In oligopoly, it is true that businesses develop personalities; but the question is really one of size. The dominant firm typically deserts the offensive for the defensive after achieving a preeminent position. Thereafter its role is to respond to encroachments, but not to attack. An important aspect of the question concerns the limits within which a contender can expand in an oligopolistic situation without drawing down the lightning of retaliation. In an important oligopolistic industry, an Eastern firm attempting to achieve a marketing position on the West coast calculated that it could expand without exciting the leading firm (holding 25 per cent of the market) to action, so long as it did not absorb more than 12 per cent of the total market.

These calculations are, of course, of the utmost significance. Price and human wars are generally recognized as harmful to all participants, though expeditions against weak parties may be profitable. Wars then are normally not deliberately begun but get their start because of miscalculations of limits. This is not to suggest that much can be gained from announcing limits, as many Congressmen think would be useful in the conduct of foreign policy. The boy who draws the chalk line which must not be crossed learns that circumstances alter cases. With the growth of power of a thrusting firm, and loss of prestige of a once dominant one, the implicit limits change on both sides. The serious danger arises when the ambition of the rising contender outstrips the current upper limit set for it by the dominant firm.

While we may be able to distinguish the stabilizers from the destabilizers at the top, in terms of size, when does a firm, or a country, emerge from the ranks of the smallest and make a bid to enlarge its power and prestige to the point where it feels it

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worthwhile to challenge the balance? Why does a Canada participate naturally in international affairs as an influence for stability, and an Argentina as a roiler of waters in which to fish? Here is a question on which work is needed.

There is no place for morality, law, right, wrong, good, or bad in Hawtrey's analysis. Power is power. But this must be too simple. There is something to be said for the Machiavellian doctrine that morality is purely a rationalization of the power situation, but probably not too much. "God is on the side of the larger battalions" and the Pope's pronouncements in international affairs would gain authority were they backed up by a standing army. But this is not the whole story. In all social science, as in the common law and in the wisdom of folklore, principles conflict. Social art, as distinct from social science, consists in determining how far which principles apply.

The truth is both that the balance of power is amoral, and that morality is a strong force in the settlement of international relations. This should surprise no one. The *New Yorker* some years ago published a series of cartoons in which the Sceptics Society undertook to test certain folk generalizations. One experiment was constructed to decide between the merits of "He who hesitates is lost" and "Look before you leap." Frank Knight has suggested that neither Christian neighborliness nor Benthamic self-interest can furnish complete explanations of human conduct: if it were possible to find people who operated 100 per cent on the basis of these motivations, the all-out Christian and the all-out economic man would be alike in Knight's view, in that neither would have any friends. In economics, more narrowly, there are many prescriptions which contain a partial truth but conflict with another rule of conduct equally valid. Under private enterprise, the separate firm should seek to maximize its income to expand the income of the total society. Economy of resources is also produced by the existence of a single price charged by all sellers in a market and paid by all buyers. Under a normal type of competition, however, it pays firms to charge discriminatory prices.

Hawtrey's emphasis on the lawlessness of economic interests

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and sovereign power was a useful antidote to the smugness of Anglo-Saxons under attack from Germany who might take too much comfort in the moral strength of their case. But one cannot afford to assume too lightly that morality is always on the side of the balance-of-power stabilizers. The forces breaking up colonialism and economic imperialism which Hawtrey attempted to justify, or at least explain, derive much of their strength from their moral position. The Western position in the struggle with totalitarianism is weakened by the self-denying ordinance which prevents the West from meeting aggression with preventive war. While no international system can be based exclusively on moral principle, its total exclusion and replacement by power derived from economic sources overshoots the mark in the other direction.

In sum, the economist has written a provocative book in the field of international politics, and thrown light into some dark corners, even though he has failed to illuminate the whole field. It is good that economists should invade the literature of political science, and in more ways than as retaliation for the incursions of political scientists into economic practice (W. Y. Elliott, E. M. Martin, etc.). This is the way in which interdisciplinary advance will be made: to have a master in one field poke around in another. What is sterile, in my opinion, is to attempt to teach "social science" to those who, having a professional grasp of neither of two fields of social science, profess to understand the interstices.

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RECENT LITERATURE ON COMMUNISM

By HERBERT MARCUSE

E. H. Carr, *A History of Soviet Russia.* I: *The Bolshevik Revolution, 1917-1923*; II: *The Economic Order*; III: *Soviet Russia and the World*, New York, The Macmillan Company, 1951-1953, 430 pp., 400 pp., 614 pp. $6.00 each.

Barrington Moore, Jr., *Terror and Progress—USSR*, Cambridge, Mass., Harvard University Press, 1954, 261 pp., $4.50.

Hugh Seton-Watson, *From Lenin to Malenkov*, New York, Frederick A. Praeger, Inc., 1953, 356 pp. $6.00.

Rudolf Schlesinger, *Central European Democracy and Its Background*, London, Routledge and Kegan Paul, Ltd., 1953, 402 pp. 30s.

FOR the policy-maker as well as the layman there is a great and natural curiosity about the future of a world society which includes both the Soviet Union and the United States. How, for example, are the Western and Soviet systems likely to develop, and what effects will they have on each other? More specifically, what trends in their development are currently discernible, and what role is Marxian theory playing in the process? The volumes under review, in varying ways and from differing vantage points, are all concerned with these questions, and it is of some interest to consider the character and substance of the answers that they provide.

Viewed from the present stage of historical development, the original form of Marxian theory appears as a genuine child of the liberalist period. Marx's dialectic was that of free capitalist competition, through which the basic economic processes would freely develop their inherent contradictions. The very rationality of the system would, according to Marx, lead to its destruction by the proletarian revolution. But then the liberalist period gave way to that of "organized capitalism." Growing productivity, a rising standard of living, and the concentration of economic and political power worked together to reconcile a large part of the laboring classes to the established society. When Lenin, in his struggle against "economism" and the "spontaneity theory,"

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broke with the "classical" Marxian conception and organized the Party rather than the class as the active revolutionary force, he reoriented Marxian theory to the new reality of capitalism. However, in spite of this strategic reorientation, Lenin continued to envisage the revolutionary dialectic as the dialectic of the capitalist system itself. He thought that only a small part of the working class—namely, the "labor aristocracy"—had been "corrupted," while the vast majority of the proletariat was still maturing for the revolution. Viewed within the Marxian philosophy of history, the fact that the socialist revolution had triumphed only in backward Russia appeared as a historical "accident," bound to set in motion the forces which would correct this accident—that is to say, release the revolution in the advanced industrial countries, especially in Germany.

In the first three volumes of his *History of Soviet Russia,* E. H. Carr has demonstrated, with a wealth of material, how Bolshevik policy, domestic as well as foreign, was in this sense tentative and improvised—designed to expedite the "rescue" of socialism from outside Russia, from the West. It was the final defeat of the German revolution which caused the fundamental reorientation of Bolshevik policy—this time not only a strategic reorientation on the same theoretical base, but the creation of a new base. The Stalinist rather than the Leninist revolution constitutes the historical turning point: the rise of a new civilization outside and alongside the capitalist world. What Marx had seen as the internal development of capitalist society that would explode this society from within now emerged as an external power that, repelled by capitalist society, would compete with it from the outside. On the foundation of a nationalized and centralized economy, a social system was constructed which adapted and mobilized the technical and scientific rationality of industrial civilization. The latter was thus split into two and faced the future in a hostile and competing civilization. Confronted with this challenge, Western society has responded with the economic, technical, and political mobilization of its own resources —a process which now threatens to engulf the liberalistic and libertarian forces that have been the great advocates of progress.

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Certain basic trends seem to be dangerously common to both competing systems: the triumph of technological rationality, of large industry over the individual; universal coordination; the spread of administration into all spheres of life; and the assimilation of private into public existence.

The new historical constellation undermines the ground for that theoretical neutrality which has been allowed to the social sciences during the last two centuries or so. In order to maintain its traditional objectivity, social theory would now have to operate in a universe of discourse comprising the Soviet order as well as its counterpart, and would have to subject both to the same critical standards, seeing both in the one world-historical continuum in which they developed. Clearly, the construction of such a universe of discourse today would be a very speculative and highly unrewarding enterprise. In the life and death struggle between two civilizations, to transcend the struggle is a precarious and dangerous matter. Objectivity is on safer ground when it abstracts from the world-historical continuum, from long-range trends and implications, and discards, for the time being, all theorizing. Thus, the social scientist can preserve objectivity while at the same time taking side with and for his civilization. He can point to the terror in the Soviet world, in contrast to the liberties in the Western world; to the low living standard there, compared with the high living standard here; to expansion there, as against containment here. He can show how Soviet society has made the individual into a complete instrument of labor, into a receptacle of decrees, into a means for other ends. To place these facts within the historical perspective and dialectic would require a super-Hegelian *hybris*—the usurpation of the power of the *Weltgeist*. It is neither of scientific nor of moral comfort to recall that terror has been the godfather of progress in the building of any civilization. No philosophy can justify the sufferings of the millions who are again being sacrificed, here and there, on the slaughterbench of World History. Still, Communism is more than and different from what Stalinism has made of it—more and different not only in theory, but in actuality. The tension between the real potentialities of Com-

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munism and its present implementation determines to a great extent the contemporary history of Communism in and outside the Soviet world. Under these circumstances, there is no justification for abstracting from the social content of Communism, for ignoring the long-range historical dynamic generated by this content, or for belittling its influence on the transformation of the Western world.

Yet such abstraction is all too prevalent in the contemporary analysis of Communism. It often leads to a distortion of facts by omission—a distortion which is the more irresponsible as it minimizes the prospects which Western civilization is facing. The abstract character of this type of analysis is frequently hidden by a misplaced concreteness: the material is purified from the historical context and, in this insulated form, is subjected to the most up-to-date methods of sociological and psychological exactness. From such material, for example, an imaginary "operational code of the Politburo" can be constructed with considerable resemblance to a reality from which all substance has been removed. The conceptual framework of such analyses, if it exists at all, is usually limited to variations on the theme of "Power" (with a capital P). From Lenin to Malenkov, the development of Communism is seen as the diabolic scheme of a ruthless conspiratorial group which became the more evil the more it became totalitarian. The basic objective of the Bolsheviks has been to obtain, secure, and extend power by all available means, and Marxian theory has helped them to organize a "socialist" dictatorship as the most effective means of attaining this objective.

All this may be perfectly true, but it leads barely to the point where analysis should commence. The Bolshevik regime sustains and is sustained by the dynamic of a highly industrialized society in which all groups and functions are rigidly coordinated with the nationalized productive apparatus. This system operates side by side with the far more advanced industrial civilization of the West, and its structure, its goals, and the means to achieve them are to a great extent determined by this competitive coexistence. No matter how absolute the leaders' power is, no

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matter what their personal or group interests are, this situation objectively defines their power as well as their aims. Moreover, Communism is also a social factor in the Western world which cannot be evaluated simply or even primarily in terms of the strategy and composition of the Soviet-controlled Communist parties; a good case could be made for arguing that, as a social factor, Western Communism was stronger before it came under Soviet-Russian control and is stronger where it is still largely outside Soviet-Russian control. The question as to where the Soviet Union is going and what the prospects of Communism are can be approached only through an analysis of Soviet and Western society, of the trends inherent in their economic and political structure, and of their interrelation.

In his book *Terror and Progress—USSR,* Barrington Moore, Jr., tries to answer this question by interpreting the Soviet-Russian system of power in terms of the social structure which it has created. The larger part of his book is devoted to the actual functioning of the controls in the various branches of Soviet society. Industry, agriculture, science and art, and the terror-apparatus itself are taken up, and in each of these areas the operation of the controls, the position of the controllers, and the response of the controlled are shown. The very detailed description draws upon a large contemporary material, including the interviews with refugees from the Soviet orbit conducted by the staff of the Russian Research Center at Harvard University. Utilized with great care and in the proper context, they not only provide new information but also serve as a check for conclusions derived from less direct sources. Throughout the book, emphasis is placed on the identification of weak spots: conflicting interests and policies, unmastered forces in the material and intellectual culture, flaws in the system which may constitute nuclei for centrifugal trends. Moore finds quite a few. But in the total picture they appear as the cracks and waste of a going system rather than as explosive elements. However, the system itself is not regarded as static, or the direction of its movement as fixed.

The most important insights of Moore's analysis are in the

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last chapter, "Images of the Future." Here, he tries to infer from his findings the dynamic of the system, and, in doing so, he progresses into the dimension where the real prospects of Soviet society become visible. In the preceding chapters, the dictatorship itself was not subjected to the same qualitative analysis which was applied to the subjects and to the stuff of the dictatorship: the dictator or dictators remained above the clouds, on an inaccessible Olympus of their own. But in the last chapter the dictatorship itself is seen as part of the whole which it dominates. As such, it is an institution which is afflicted by the vicissitudes of the institutions within and without its dominion. Moore discerns the fundamental trends which operate as "sources of change" in the institutions of Soviet society. Three are distinguished: (1) "a continuation and possibly even some intensification of the dynamic, totalitarian, and expansionist characteristics of the Stalinist system" (p. 223); (2) the ascendancy of the "technical-rational and formal legal features that exist in the Soviet system . . . over the totalitarian ones" (*ibid.*); and (3) a reactivation of the "traditionalist elements" which would tend to revert Soviet society to some sort of semi-feudal "Oriental despotism" (p. 225). Without excluding the possibility that the first or third trend may gain momentum, under certain conditions, Moore considers a technocratic development most likely. It would involve a "rationalization" of the dictatorship; the growth of technical-bureaucratic administration over political terror; collegiate rather than personal rule; and a "larger flow of goods and services" to the mass of the population (p. 189). Moore's sober and conscientious attitude avoids the overstatements which could provide the grand historical perspective for his findings. This reviewer, who has more faith in speculation, believes that, given "normal" conditions of national and international stabilization, Soviet society might tend toward a totalitarian welfare state. As to the prospects of international stabilization, he agrees with Moore's pessimistic view: "The essence of the matter lies in the fact that the mere existence of a powerful industrial state dominating much of the Eurasian continent would be a potential threat to other nations, and primarily to the United States,

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no matter how peaceful its behavior and apparent intentions" (p. 229).

It is significant that Moore's analysis, which probes into the structure of Soviet society in its national rather than international aspects, culminates in a statement defining the position of the Western world. In spite of the doctrine and practice of "socialism in one country," the interconnection between the two systems has remained a substantive one throughout. An analysis of Communist trends which does not focus on this interconnection would be inadequate in its essentials. And for the period from 1917 through 1923, E. H. Carr's *History of Soviet Russia* has set standards which can hardly be equaled. To this reviewer, Carr's work is a rare example of great contemporary historiography: it combines mastery of the factual material with that knowledge and understanding of theory which enables him to see the course of the Bolshevik revolution in the context of the political and economic transformation of contemporary civilization. Thus from his account it becomes clear to what extent the fate of Communism from Marx to Lenin reflects a historical process whose direction is by no means irreversible. Neither Stalinism nor Fascism have eradicated the roots of a different kind of Communism in industrial society. So long as these roots exist, the history of world Communism will be the social history of Communism *and* capitalism in their interdependence.

Hugh Seton-Watson's *From Lenin to Malenkov*, on the other hand, is far from presenting this history. His book is characteristic of the oversimplifications and abstractions which relate most of what happened to the evil power-drive of the Bolsheviks and their misguided followers. In the Introduction, the author states: "If I can make any claim to an original approach to the subject, it is in my emphasis on the relationship of communist movements to social classes. . . ." However, this intention has not materialized. Social classes and their relation to the Communist movement are discussed at various places, but such discussion does not go beyond vague generalities or well-known facts, and, what is more important, it does not guide the analysis and presentation of the material. The book gives an account of the development

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of Communism from the beginnings of Leninism to the present, in all the major areas of the world, including the colonial regions, and all this in 356 pages. Summing up, Seton-Watson declares that the "social causes of communism are frustration of the intelligentsia and poverty of the masses" (p. 352). He immediately qualifies the second factor by pointing out, correctly, that the populations living in the most abject misery are usually not the most revolutionary ones: "revolutionary agitators" must be at hand to "exploit poverty for their ends." Thus it all comes back to the intelligentsia: "The frustration of the intelligentsia is a more immediate cause of communist and other anti-western revolutionary movements than is the poverty of the masses" (pp. 353f.). He asks: "Can anything be done to remedy this scourge of the twentieth century?" Yes, improvements in the educational system, especially, for Asian, African, and Latin-American intellectuals, that will enable them to serve their peoples' welfare and at the same time "remove the frustration that devours them" (p. 354). Seton-Watson is more specific in defining what should be the objective of Western policy: the "aim must be to liberate the peoples oppressed by totalitarian Stalinist imperialism." However, the "means by which Stalinism can be forced back, and the oppressed peoples, including the Russian people itself—the greatest martyr of the last thirty years—can be liberated, are not clear today. This does not mean that they will not become clear, or that they do not exist" (pp. 348f.).

One has only to compare Seton-Watson's chapters on the Central European revolutions and on the Comintern policy with E. H. Carr's treatment of the same subjects in the magnificent third volume of his *History of Soviet Russia* in order to see how abbreviations and simplifications change the picture of a revolutionary period in world history. Carr's volume is entitled *Soviet Russia and the World*; it deals with Bolshevik foreign policy until shortly before Lenin's death, but, in doing so, it covers the history of postwar Europe and Asia during this period. Carr shows how the "dual policy" of Soviet national interest and international revolutionary objectives originated and developed in the constant interplay between Marxian theory and practice,

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between East and West, between metropolitan and colonial movements. He demonstrates how each major turn in this policy, and the rapid subordination of the international to the national aspects, was determined by a new constellation of forces inside and outside the Soviet camp, and how Soviet policy tried to cope with this constellation in terms of the inherited principles of Marxist theory and strategy. The role of Marxian theory in Soviet policy is certainly most controversial, but the fact remains that the Leninist party was a Marxist party, that the Bolshevik organization of Soviet society followed in the beginning the basic Marxian concepts, and that Marxism has been canonized as the official Soviet ideology. Once this ideology has thus been incorporated into the society, it operates as a real factor apart from the personal sincerity and intentions of the policy-makers. The dual policy depends, for the attainment of its ultimate objective, on the materialization of the Marxian prediction: the establishment of socialism in the mature capitalist world, and primarily in Germany. Carr's analysis shows to what extent "socialism in one country" was decided before Stalin—but in Germany rather than in Russia; and his chapters on the German revolution and its influence on Comintern policy contain in a footnote more material and more insight than whole monographs on the subject.

With the Weimar Republic began that social and political reorganization of the Western world which enabled it as a whole to withstand the Central European revolutions of the left and the Fascist counterrevolt, and to survive the Second World War. On the European side, German Social Democracy played a decisive role in this process. Before the First World War, the German and Austrian Social Democratic organizations were ostensibly the strongest Marxist forces and the undisputed interpreters of Marxist theory and strategy. When Lenin challenged this monopoly, he and his followers remained a small minority. And Social Democracy, without losing the support of the majority of the laboring classes, became the savior of the very system against which it was organized. Clearly, this accomplishment cannot be understood in terms of personalities and

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party structure: the policy of democratic cooperation was not simply imposed upon a radical rank and file by the bureaucratic party leadership. Nor would it be sufficient to explain the course of Social Democracy as the mere reflection of capitalism's growing capacity to grant the workers a higher standard of living. In the fateful period at the end of the First World War, this was hardly the case in Central Europe.

In his book *Central European Democracy and Its Background,* Rudolf Schlesinger tries to provide an explanation by writing the history of the representative economic and political organizations of the German and Austrian working-classes from 1862 to the triumph of National Socialism. The political parties, trade unions, consumers' cooperatives, etc., are treated as "sectional organizations" typical of a mature industrial society. On this basis, Schlesinger follows the development of the conflict between economic and political interests which determined to a high degree the fate of Central European democracy. He rejects Lenin's theory of the "labor aristocracy" as inadequate to explain the collaborationist policy of Social Democracy, arguing that if "labor aristocracy" is

> thought of as the group of those who are capable of gaining material improvements in consequence of their employers' prosperity, it is clear that an increase in the sum of profits distributable will tend to turn that group from a mere minority aristocracy into a majority of the whole working class. Supposing that it embraced the whole of the working class, there is no reason why in the labour movement, and also in the body politic, of such an imperialist State democracy in the full sense of any formal definition could not flourish. . . . It would be destroyed only by the revolt of the underdog nations—and by the Imperialist States' own preparations to meet this threat (p. 83).

Schlesinger traces the revisionist and collaborationist policies of Social Democracy back to the very beginnings of the party and shows the strength of the Lassallean rather than Marxian tradition in its development. A well-documented historical survey, his book points up the predominance of national and nationalistic attitudes which found amazingly outspoken expression at the party and trade union congresses during the first decade of the twentieth century. The uniformity of these atti-

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tudes is somewhat overplayed, and the opposition to them treated too summarily. But the Social Democratic policy of 1914 and 1918 clearly appears as the culmination of a long process in which the working-class institutions and organizations were effectively integrated into the growing structure of "organized capitalism." No wonder then that Social Democracy sided with the established order and against the Marxian revolution as early as November 1918, when the famous alliance with the army was concluded. Thus, what happened in the period of the Weimar Republic was, according to Schlesinger, hardly more than "a moderate shift in the distribution of social power within the Junker-bourgeois coalition which controlled Germany" (p. 152).

From this point on, Schlesinger's book becomes a critical history of the decline and downfall of the German and Austrian democracies—critical from a left-socialist point of view. His partisanship neither violates nor contradicts the facts. He rejects the short cut which puts all the responsibility for the failure of the social revolution in these countries on the Social Democrats; and he is not satisfied with the explanation that the German workers just were not "revolutionary." German Communism is subjected to an equally critical analysis. In his view, the class orientation of the German workers became fluid as the Empire collapsed and a less hesitant strategy on the part of the Communists-Spartacists during the first months of the revolution would have swung the German workers to the left.

Schlesinger's study elucidates the extent to which the fate of Communism during the formative period was determined by factors outside Russia and outside Bolshevism. From Marx to Stalin, the ideology and reality of Communism were shaped by the ideology and reality of industrial civilization. There is no evidence that this essential link has been loosened. The prospects of Communism must still be evaluated in terms of the prospects of present-day industrial civilization.

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ECONOMIC INTEGRATION:
Institutions, Theories, and Policies

By ROBERT TRIFFIN

William Diebold, Jr., *Trade and Payments in Western Europe: A Study of Economic Cooperation, 1947-1951*, New York, Harper & Brothers (Council on Foreign Relations), 1952, 488 pp. $5.00.

Robert Marjolin, *Europe and the United States in the World Economy*, Durham, N.C., Duke University Press, 1953, 106 pp. $2.00.

James E. Meade, *Problems of Economic Union*, Chicago, University of Chicago Press, 1953, 102 pp. $1.75.

I

EACH of the three books reviewed below makes a very distinct contribution to the fast-growing literature on economic integration.

Diebold's book is primarily a historical and critical account of the postwar negotiation of intra-European trade and payments agreements.

> The pages that follow are, with few exceptions, concerned with those proposals that actually reached the tables of cabinets and conferences. What governments have not done is as important a part of this account as what they have done. . . . This book is an account and an analysis but not a prescription. It does not attempt to provide the "right" solution for Western Europe's problems. . . . It is simply an attempt to help understand the events of these four years (pp. 6-7).

Taken as such, this book must be counted an outstanding success. Diebold takes us to the international conference table, and resurrects for us in lively fashion the negotiating processes through which agreements were reached or shipwrecked. I know of no clearer and more comprehensive explanation of the successive agreements for multilateral compensation and intra-European payments, or of the gradual development of the OEEC codes for the liberalization of trade and invisible transactions, or of the failure of more ambitious plans for customs

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unions, tariff preferences, or structural integration by economic sectors.

In sharp contrast with Diebold, Meade purports only to discuss, in the strictest academic manner, the abstract issues involved in economic unions. "It is the general principles of economic union rather than their application to a particular union which I intend to examine" (p. 9). His abstractions, however, fit admirably the general positions adopted by Britain toward the very concrete issues involved. Progress toward integration should be slow and gradual, building on institutions already at hand (p. 84), and within the framework of an Atlantic Union of America, Britain, and continental Europe, rather than of Western Europe as such (p. 9). In the best tradition of British political economy, Meade's "general theory" glorifies as eternal truth the particular approach of an able and well-meaning Englishman to one of the major problems confronting his country and the world today.

His main theme is that the full potentialities of economic union cannot be realized without "an integration of the market for the factors of production, as well as for their products," that the latter "would involve serious limitations upon the intervention of national governments in domestic markets for particular goods and services," and that the first would similarly require a considerable surrender of national sovereignty to the Union authorities with respect to the choice of financial weapons for economic stabilization and general fiscal measures for influencing the distribution of income and property (pp. 82-83).

The logic of Professor Meade's arguments is unimpeachable. All it demonstrates, however, is that far-reaching surrenders of sovereignty over domestic as well as external economic policy would be necessary *to maximize the benefits of economic union*. For instance, the full advantages of free trade may be thwarted by divergences between social and private costs—the external economies or diseconomies dear to Pigou—by differential taxation—or subsidization—of particular commodities, by monopolistic restrictions on output, etc. All this is undoubtedly true but, as Meade himself points out, the United States economy

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itself would fail to pass the rigorous integration test proposed by the author, i.e., the full equalization of market prices with "marginal utilities to consumers and marginal costs to society." Such an achievement would certainly be far beyond the reach of any administrative or political machinery conceivable today within a single country as well as among independent countries. If Utopia is set up as the goal of economic integration, it is easy to demonstrate how difficult and improbable its achievement is. I cannot but agree with Marjolin and Diebold, who both distinguish integration as an *end*—i.e., the achievement of full economic unification—and as a *process*—i.e., "all the steps taken toward this objective, even though they may fall very short of the final objective" (Marjolin, pp. 40-41; Diebold, p. 8).

The Secretary General of the OEEC presents a far less ambitious, but on the whole far better balanced, discussion of European integration than either Diebold or Meade. His brief sketch of the OEEC and EPU machinery and methods of operation highlights the essential features which explain both their achievements and their limitations. The parallels drawn between the OEEC, the European Coal and Steel Community, and the Council of Europe are very brief, but extremely revealing, particularly in connection with the vital distinction emphasized by Marjolin between the legal and practical implications of the unanimity and majority rules in the operation of international organizations.

The historical summary of Europe's achievements under the Marshall Plan, and of the difficult problems raised by the rearmament program adopted after the outbreak of the Korean War, is followed by a keen analysis of the long-run task of maintaining a satisfactory pace of economic expansion throughout the free world, together with a tenable equilibrium among the dollar area, Europe, and the underdeveloped countries. The policy conclusions of this part of the book go far beyond the historical analysis of Diebold and the theoretical analysis of Meade. I find myself in close agreement with Marjolin's concrete suggestions for complementary policies of international development by North America, Europe, and the underdeveloped areas, even

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though I sense more pessimism on his part about the so-called "dollar shortage" problem than can be justified either by facts or theory.[1]

II

All three authors find it hard to dissociate their concept of "economic integration" from the "free trade" ideal of classical economics.

This is particularly true of Diebold, who reflects in this the prevalent attitude of American policy-makers toward the problem. Economic integration is discussed almost exclusively in terms of the removal of national barriers to trade or payments. The success of economic integration is measured by its success in lowering trade and currency barriers in general, not only among the members of the area but also with countries outside the area. The pros and cons of regional integration revolve mainly around Viner's distinction between the "trade-creating" and "trade-diverting" effects of a customs union. Diebold's conclusion is therefore a very guarded one: "It cannot be taken for granted that the dynamics of E.P.U. will make Western Europe better able to participate in a larger, freer trading area. Some elements in it promote that objective; others hinder it" (p. 415).

Meade recognizes the same problem, but only to exclude it from his analysis.

> I shall consider only the economic relationships between the countries forming the union and not their relationships with the countries outside the union. . . . By neglecting the very existence of countries outside the economic union, I shall be considering the advantageous effects of the union in creating trade and shall be neglecting the possibility that the union merely makes matters worse by diverting trade (p. 8).

Having thus narrowed down the problem to that of free trade, he immediately broadens his horizon, however, by relating free-trade objectives to the goal of economic stabilization.

[1] See my paper on "International Currency and Reserve Plans," presented at the Second Conference on Policies to Combat Depression, Universities-National Bureau of Economic Research, Princeton, N.J., May 1954.

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> We consider a group of countries which are coming together to form an economic union. They wish to raise their economic efficiency and so their standard of living by creating a large free-trade area and perhaps also by creating a large area within which factors of production can freely move to the most productive employment. They wish to do this in a way which is at least compatible with the avoidance of domestic booms and slumps and with the maintenance of equilibrium in their balances of payments. . . . In modern economic conditions this would be desirable on purely economic grounds which are too familiar to need repetition. In modern political conditions it is also, I am glad to say, a *sine qua non* without which countries would be unwilling to participate in any economic union (pp. 6 and 33).

Finally, Marjolin's integration objectives are even broader.

> Let it be clear that all the objectives I have stated—nondiscrimination, freedom of transaction and transfer on current account, stability of exchange rates, controlled freedom for capital movements—are subject to the overriding consideration that the modern world cannot stand a large amount of unemployment for any length of time. Furthermore . . . the basic condition for the survival of our free societies is a dynamic, continuously expanding economy (p. 82).

Meade and Marjolin both derive the same practical conclusion from their analysis. The complete abolition of trade barriers among independent countries would be inconceivable today without simultaneous agreements on the coordination of other phases of their economic policy—internal as well as external—designed to replace trade restrictions as a means toward other fundamental objectives related to the level of economic activity and employment, the pace of development, national security, etc. Such objectives have far more influence on modern governments and public opinion than does the rational allocation of resources which is the basic aim of free trade.

Secondly, the pursuit of these objectives by international cooperation and agreements—rather than by national policy—requires such vast commitments and surrenders of sovereignty as to rule out their sudden and radical implementation. A gradual, step by step, approach remains the only possible one for a long time to come.

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III

We cannot rest content, however, with such a vague policy prescription. We can give it a far more concrete content on the basis of both theoretical analysis and historical experience. The following suggestions may appear as obvious and trite to some readers as they do to me. And yet they are still hotly opposed by many excellent minds in both academic and government circles.

(1) First of all, progress toward freedom of trade and payments can hardly be achieved, and particularly consolidated, by unilateral national action. This has long been recognized in the tariff field, and has prompted both bilateral and multilateral negotiation of tariff agreements, binding the partners to *simultaneous* and *reciprocal* commitments. We cannot rely on Platonic appeals to international cooperation to prevail upon the national interests which are necessarily the first preoccupation of national governments. Desirable tariff action can only be made attractive, and undesirable action unattractive, from the national point of view through a system of collective agreements making the benefits of trade liberalization for each country dependent on its own trade policy toward the others.

What is true in the tariff field is equally true with respect to direct trade or exchange controls, including the multiple techniques of currency inconvertibility which have cropped up in the last twenty-five years. Marjolin rightly points out, in this connection, the contributions made by EPU

> to the cause of world convertibility by experimenting with mechanisms which I personally believe to be not only valid but necessary for the whole world. The E.P.U. system, which includes both rules and safety clauses, is based on an international agreement. This is the great superiority of the E.P.U. system over the gold standard. There was never any agreement between countries using the gold standard, whereas the E.P.U. is a system of simultaneous commitments. This essential feature explains a great deal of its success. It would be extremely difficult, if not impossible, to bring any country to give up restrictive practices, monetary or commercial, if it did not feel with some degree of assurance that the other countries were going to do the same. In other words, it is much easier to get all the countries to agree together to a measure of freedom in trade and payments than to agree one after

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the other. I cannot help feeling, therefore, that this system of simultaneous and reciprocal commitments holds great promise for the future (pp. 83-84).

(2) Extensive trade and exchange commitments will still remain dependent, however, on other measures of cooperation designed to moderate the impact of external fluctuations on the domestic economy of the countries entering into such agreements. Complete freedom of trade and payments could not be achieved and maintained, and should not even be sought, in the absence of cooperative measures of a positive nature designed to cushion temporary fluctuations in the countries' balances of payments, and to facilitate desirable methods of adjustment to long-run fluctuations of a more fundamental character. The success of EPU in the elimination of all trade and currency discrimination among members, and in the progressive liberalization of other non-discriminatory restrictions, is intimately related to:

(a) the provision of stabilization credits—both automatic and discretionary—by the creditor countries to the debtor members of the system;

(b) the willingness of the creditor countries to speed up their own liberalization measures beyond the formal commitments agreed to by all members, and to release temporarily from such commitments partner countries which encounter heavy balance-of-payments pressures;

(c) the willingness of all countries to submit to international discussion and scrutiny the whole range of their economic policies, internal as well as external, which may have a bearing on persistent or excessive balance-of-payments disequilibria threatening either the liquid resources of the Union or the continued progress of its members toward trade liberalization;

(d) the existence of a highly effective machinery for continuous consultation and negotiation among members, both at the technical and at the highest policy-making level, on the problems confronting the organization.

(3) Such extensive commitments, negotiations, and coordination of national policies are hardly feasible or desirable at this

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stage on a world-wide basis. Nor can they, even on a regional basis, aim at a total elimination of all trade barriers and protectionist measures. Three different levels of cooperation should be recognized as equally desirable in the interests of economic efficiency, stability, and development:

(a) the full integration of economic policy which can be achieved only on the basis of political unity, and which alone can ensure the total elimination of all trade and exchange restrictions within the national boundaries;

(b) the incomplete, but still intimate, integration of economic policies which is feasible among countries that are highly interdependent, keenly conscious of this interdependence, and easily amenable to close cooperation because of the similarity of national viewpoints and policies resulting from a common geographical and historical background and a relatively homogeneous stage of economic development;

(c) the looser agreements which prove both necessary and feasible on a world-wide basis as a framework for national or regional decisions and policies.

The degree of coordination to be pursued at each one of these three levels should depend upon a weighing of the advantages and urgency of centralized decisions against the real costs and friction inseparable from such centralization. Internationalism is not desirable *per se*. A fishing rights convention among the Scandinavian countries should not be forced to wait upon the agreement of a landlocked country, such as Switzerland, or even of a far distant country, such as Australia. Many issues of trade or exchange policy arise primarily among a limited group of countries and can be most fruitfully explored first through regional negotiation. About 70 per cent of Latin American trade takes place within the Western Hemisphere, and two-thirds of EPU trade within the EPU area. Considerable progress may often be achieved with greater ease and speed by direct discussion among the countries most vitally concerned and should not be delayed or impeded unnecessarily by insistence on a world-wide negotiation of all the issues involved. The IMF consultations on the September 1949 devaluations, for instance, could

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have been far more significant, and less purely formal, if they had been preceded and prepared by more careful exploration at the regional level, before being brought up to the Fund's Executive Board for decision. World-wide cooperation and agreements are certainly essential to avoid or resolve world-wide conflicts of interests, but they should not be overburdened with issues which can best be handled by a more limited negotiation among the countries most directly concerned.

The advantages of the regional approach are all the more evident when, as indicated above, agreements are dependent upon the acceptance by all participants of positive, long-range commitments about financial assistance, coordination of domestic monetary and fiscal policy, etc. To insist here upon world-wide agreements will often be tantamount to blocking action altogether.

Similar remarks apply to the substantive content, as well as to the geographical scope, of international agreements. We should be ready to exploit every area of feasible agreement rather than to insist on an "all or nothing" procedure, which usually ends up with "nothing" rather than with "all." The two criteria which should determine the choice of objectives at any point of time are: (a) the relative urgency of the cooperative measures aimed at; and (b) the feasibility of agreement. The EPU negotiation, for instance, centered primarily on the elimination of bilateralism, i.e., upon the restoration of competition among all participating countries' exporters over the whole EPU area. The harmfulness of bilateral negotiating techniques had become evident to all, and complete agreement proved feasible on this point. The second objective of EPU was the removal of all direct trade and exchange restrictions on intra-European trade. This was far more difficult to achieve in view of the heavy balance-of-payments pressures to which many countries were still subject at that time. Only gradual progress could be achieved, with a 50 per cent liberalization target at first, rising quickly to 60 per cent, and later to 75 per cent of each country's private import trade. Even then, escape clauses had to be provided and

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were temporarily resorted to, at one time or another, by many of the participating countries.

The definition of ultimate integration goals is far less significant in practice than a clear order of priority among the objectives to be pursued. I would personally rank them roughly as follows:

(a) the immediate and complete elimination of all *bilateral* trade and exchange restrictions;

(b) the extension of *non-discrimination* over as wide an area as is made possible by the policy commitments which can be negotiated among members, or by the *de facto* policies followed by non-members;

(c) the gradual relaxation of other forms of *restrictions* and trade protection, and particularly of direct, administrative trade and exchange controls;

(d) the avoidance of unnecessary fluctuations in exchange rates.

I have an uneasy feeling that world-wide attempts at postwar cooperation followed the exactly reverse order, negotiating exchange rate commitments before tariff commitments, tariff commitments before the liberalization of other forms of restrictions, the liberalization of restrictions before the elimination of discrimination, and the elimination of discrimination before the elimination of bilateralism. The latter—most urgent and feasible—fields for effective cooperative action were therefore left fallow, thus stimulating the regional forms of cooperation which are responsible for most of the postwar progress toward economic integration, trade liberalization, and currency convertibility.

(4) This gradual and flexible approach to the ultimate ideals of international economic integration carries with it some implications totally alien to the pure logic of classical, or neo-classical, political economy. I shall mention only one of these by way of example.

Regional agreements, such as a customs union or preferential tariff area, have been subjected to heavy criticism because of their discriminatory, or trade-diverting, implications. Even the milder forms of regional integration implicit in the present OEEC

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trade code and EPU settlement system undoubtedly stimulate to some extent a diversion of imports from lower-cost suppliers outside the area to higher-cost suppliers within the area. If we accepted the full logic of this kind of reasoning, however, we should roundly condemn not only regional integration but national integration as well. If a tariff wall could be erected around each one of our forty-eight states, many of them would probably buy from cheaper sources of supply outside the United States goods which they now import from higher-cost suppliers within the United States. The elimination of such uneconomic trade-diversion could be carried even further through the erection of non-discriminatory tariff walls around each one of our three thousand counties.

In pure economics, I would agree with Professor Viner's criterion and weigh in each case the advantages of the trade-creating impact of integration against the disadvantages of its trade-diverting impact. Very clearly, however, national boundaries and tariff walls have never been chosen, and could never be chosen, on such a basis. And yet they are usually accepted by the economists as a valid test in defining discriminatory or preferential trade practices. Mutual tariff or trade liberalization within the sterling area or EPU area is regarded as discriminatory, and therefore bad, but the absence of tariffs or other trade controls between northern and southern France is taken for granted and escapes condemnation by the economists as a "discriminatory" trade practice.

Such contradictions can be resolved only if trade liberalization is considered in its full economic, administrative, and political context. Mutual commitments, ranging over a wide area of economic policy, are indispensable to the success and consolidation of trade liberalization measures, particularly under present-day conditions. The economically undesirable trade-diverting effects of regional agreements must be weighed not only against their trade-creating effects, but also against the stability and security which they provide against sudden, unilateral changes of policy by the partner countries. The gradual elimination, in the nineteenth century, of internal barriers to the movement of goods

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within each country's national borders could hardly be regarded as a retrogressive step in their economic life. We are witnessing today the gradual development of free—or at least freer—trade areas across national borders, on the basis of reciprocal commitments involving various degrees of surrender of national economic sovereignty. I have far more confidence in the continued progress of these forms of international cooperation, rooted in practical considerations of each participant's national interests and of the feasibility of administrative and political implementation, than I have in universal agreements that are based on abstract economic ideologies and extremely difficult to negotiate and administer effectively in practice. Economic integration is a process of growth and may easily be smothered rather than accelerated by premature, over-all landscaping.

To conclude with an old French saying which might be worth some meditation in our State Department as well as in our universities: "Le mieux est souvent l'ennemi du bien."

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AFRICA AND THE SOCIAL SCIENTIST

By DAVID E. APTER

Vernon Bartlett, *Struggle for Africa,* New York, Frederick A. Praeger, Inc., 1953, 246 pp. $3.95.

Joan C. MacLean, ed., *Africa: The Racial Issue,* New York, H. W. Wilson Co., 198 pp. $1.75.

L. Dudley Stamp, *Africa—A Study in Tropical Development,* New York, John Wiley & Sons, 1953, 568 pp. $8.50.

THREE books have recently appeared that represent some of the current efforts to acquaint American readers with present-day conditions and events in sub-Sahara Africa. Two of them, *Struggle for Africa* and *Africa: The Racial Issue,* are journalistic treatments. The third, *Africa—A Study in Tropical Development,* is the work of a social geographer. They are an indication of the growing interest in and concern for Africa which has developed in the United States since the war, a concern made more intense by our awareness that nationalists inside colonial territories are often easy prey for extremist ideologies. What we are witnessing in Africa, above all, are evidences of drastic shifts in social structure and the consequences of changing aspirations and goals within highly segmentalized racial and cultural communities. In very few regions in Africa has the long and arduous process of social reintegration occurred in such a way that social homogeneity and consensus on a national level have replaced the localized tribal units of traditional life. Satisfactory adjustments between differing racial communities are rare. Equally rare has been the achievement of an economic prosperity conducive to peaceful adaptation to one another by peoples of many cultures.

Today almost any volume that attempts a serious discussion of African difficulties represents a contribution. In the past, when books on Africa were pretty much limited to travel or hunting experiences ("Through the Jungle with Bearers and Blunderbuss"), people merely wanted their intellectual palates tickled. Now there is a tendency to think of Africa in terms of

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geographical proximities, military bases, or sources of uranium, while problems of race, culture, and social structure are viewed in the light of the immediate political propensities of the African peoples.

The three volumes under discussion all have something to say on these matters. Precisely because the materials with which they deal cast light on some crucial difficulties in Africa, they assume an importance that might not otherwise be granted them. *Struggle for Africa* and *Africa: The Racial Issue* do not pretend to be systematic analyses. The latter in particular, a compilation of news items and articles from popular magazines, is a flyweight contribution in view of the complexity of its subject. The articles vary in quality a good deal, with one, "Mathew and the Mau Mau," providing the sort of description that would prove helpful for analysis. In *Struggle for Africa,* Mr. Bartlett takes us on a quick, journalistic tour of the African continent. He is a sympathetic observer and an able one, but he fails to specify just what the "struggle" for Africa is. There are, of course, many "struggles" for Africa today.

Admittedly, it is unfair to criticize either of these volumes in terms of social science, inasmuch as they are intended for the general reader who wishes to be informed of recent events in Africa. Mr. Stamp's work, however, is a technical one, and its content is open to more legitimate charges. It is excellent in its geographical aspects, but painfully superficial when it departs from description of climate, soil, demography, and other basic features of Africa. One fails to find any analysis which would qualify the work in terms of its title. It is not a study in tropical development but a cataloguing of developmental efforts—assuming that almost any kind of purposive change comes under the head of "development." Stamp makes few efforts to define his terms. One looks in vain for a discussion of factors related to development other than those of physical environment.

The one thing which these volumes have in common—and which, indeed, is a primary concern of most observers of the African scene—is an examination of the varying impact of Western social structures upon different indigenous African groups,

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and of the resulting cross-behavioral responses by Africans. This problem is manifested most sharply in situations where Africans must shift back and forth between tribal and non-tribal role prescriptions. The members of the Legislative Assembly in the Gold Coast may be asked to perform parliamentary roles on one occasion, and to fulfill family or customary obligations which conform to more traditional role patterns on another. Often such individuals are, in a cultural sense, "displaced persons" within their own country, particularly where educated or partially educated Africans find too few outlets for activity outside the tribal setting. The demands made upon Africans in these terms are very great. Generally speaking, their responses have ranged from reintegration of African social life around Western secular political and social structures, as in the Gold Coast, to the semi-anarchy now existing in Kenya or the sodden apathy of shattered tribal groups in South Africa.

Differences between African and Western standards of political behavior and economic subsistence foster conflict situations which have hastened the beat of African development and channeled grievances into new, often non-tribal, organizational media. In Kenya, for example, the Mau Mau represents far more than a simple terrorist movement. It is nationalistic as well as inspirational. It promotes tribal solidarity for partially secular objectives. Whereas Gold Coast nationalism, represented by the Convention People's Party, has been given legitimate status via political responsibility, any similar movements in East and Central Africa are regarded as dangerous, and are forced into a pattern of subversion by established European authorities.

The obstacles in Africa to a gradual and effective adaptation of traditional to European patterns of social life and organization are many and varied. Some devolve around racial attitudes on the part of Europeans. More result from the incredible difficulties involved when mature peoples having a viable cultural system within a particular social setting are suddenly forced to change their orientations and their activities.[1] Population

[1] A major error of many observers of African problems lies in the assumption that tribal peoples are like children, to be taken by the hand and led into more "elaborate"

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shifts, economic crises, changes in goal orientations, and conflicts in behavioral requirements demanded of Africans in different situations have struck at the heart of indigenous institutions.

For understanding problems of this magnitude, superficial studies are poor substitutes for substantial research. Even the most basic information, taken for granted in Western countries, is for the most part lacking in Africa. The almost total lack of reliable statistical information is often matched by the inadequacy of concepts for analyzing African materials. We have few adequate bases for determining income and wealth, spending habits, and other economic propensities of Africans. Our notions of politics are limited to our Western point of view and we are perplexed when we find some tribal groups having few or no formal "political" organs, although the functions of politics are nevertheless being performed in other types of structures, such as the family, or in religious observances. We have little conception of indigenous patterns of authority, or of the areas in which secular rationality applies as a behavioral criterion. Release from non-empirical sources of norms in tribal life often produces extreme anxiety and seemingly irresponsible activity on the part of Africans.

In the volumes under review little discussion of traditional social life is found. Yet, without substantial knowledge of indigenous society, hardly any meaningful analysis can be made from a policy point of view regarding adaptation of Africans to Western or alien social patterns. Too often, perhaps, the anthropologist busies himself with such localized studies as admit of little wider reference. Equally, political studies have been preoccupied with purely administrative problems, making little effort to seek out possible integrational sources for cultural adaptation and transition.

The traditional patterns in each tribal area represent one set of variables which must be discussed if African problems are

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and "mature" patterns of social activity. One must remember that Africans have developed extremely complex societies, and that they are adept at meeting the hardships of the tropical and often hostile environment. The instrumental value of their own cultures has been demonstrated to them, and their response to new ways is therefore often one of reluctance and hesitation.

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to be understood. Another set of variables derives from the alien values and institutions that impinge upon the traditional. We know little of how traditional variables differ from area to area in terms of people's responses to Western social patterns. Are there any kinds of relationships which can be established between particular tribal patterns on the one hand, and susceptibilities to certain Western modes of behavior on the other?

One very preliminary study in the Gold Coast, for example, indicates that some correlation, although admittedly crude, can be found between differing tribal cultures and aptitudes for certain kinds of work. Some tribal groups adjust to new forms of manual labor more easily than others. To the Ashanti "blood," for instance, manual labor is anathema. In traditional Ashanti, almost all manual labor was performed by women or slaves. Today, in the many developmental projects in the Gold Coast—building and construction, mining, etc.—labor is for the most part recruited from the Northern Territories or from nearby French territory, where manual labor is not considered demeaning. Indeed, those who work with their hands in the Gold Coast today conform to the same tribal groupings that provided the Ashanti with slaves only a generation ago. Under the circumstances, the traditional Ashanti contempt for such labor has been perpetuated. In Tarkwa, a gold-mining area, the original inhabitants moved away from their ancestral lands rather than work in the mines. Where attachment to the land is of vital religious, as well as economic, significance, wholesale migration indicates how objectionable and degrading such labor is considered to be. Even when manual labor is acceptable, some tribes tend to learn precision tasks where others do not.

In the three volumes under discussion, there is much talk of the "tribal African" or the "detribalized African," two phrases overworked in the general literature in the field today. The "village African" and the "urban African" are more accepted terms, but equally specious. Unless a better acquaintance with the specific terms of detribalization and the conditions under which non-tribal Africans act is demonstrated, analyses containing policy recommendations are likely to be based upon inadequate

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judgments. Let us take, for example, one very commendable point made by Bartlett. He disagrees with the common notion that Africans are lazy and inefficient by nature, pointing out that this is not a racial characteristic. He claims that it is, rather, a symptom of malnutrition. The reader would be led to assume that if Africans were better fed, they would work harder and be more efficient and productive. No one would deny that malnutrition is often a factor contributing to work capacity and labor efficiency, but what about areas in which there is little sustained malnutrition? Aside from the usual handicap of poor training, other fundamental considerations such as contrasting notions of labor time, a premium value placed upon leisure, and other possible cultural inhibitions upon types of manual labor may be far more important obstacles to raising standards of labor capacity and efficiency than the level of subsistence itself.

The question of labor capacity raises even more fundamental problems pertaining to orientational factors in social change. Unless modes of action alternative to the traditional are "perceived" by Africans, increased participation in non-tribal roles will hardly be forthcoming. Colonial officials have had many experiences with Africans "mechanically" performing tasks set for them, remaining capable so long as the situation did not demand a sudden, unexpected decision or a modification in performance. To train Africans in the complex jobs of modern administration and government, both in standards of work and in standards of political judgment, demands first a shattering of traditional standards and judgments. The tribal criteria for activity can no longer apply, particularly where the objectives involve African participation in social and political development.

What are some of the orientational difficulties which can be examined? Some relate to basic questions of technology: an appreciation of mechanical processes and work discipline. More important, perhaps, is the presence or absence of a well-developed concept of progress. It can be argued that without concepts of progress and change as conscious and valued ideas, many local development projects and even larger moves toward social integration will have no particular relevance to many African

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groups. Quite the contrary; such projects may be viewed as threats to established and already legitimized systems, to be resisted if possible. Especially in those areas where ancestor worship and orientation toward the past, to "time immemorial," is crucial to the maintenance of traditional social and political organization is tribal conservatism strongest. In such cases, when change is "forced," apathy instead of effective readjustment often follows.

Rarely has a colonial policy directive concerned with social change and political integration been based on comprehensive explorations of such factors as these. Instead, there is a tendency to assume that highly organized tribal groups are more "sophisticated" than less formally organized groups, and the former are considered more responsive to secular social and political structures. That this is not necessarily true is demonstrated among the Ibo in Eastern Nigeria, where a lack of formal indigenous political organization has not hindered the rapid emergence of a well-developed and aggressive nationalist political party.

It is often said that because the coastal Gold Coast tribes have a "democratic" system of elective chieftaincy, it follows that they are more capable of operating parliamentary political structures today than other African groups. Such a statement only points up the large areas of ignorance which remain about the component elements in different traditional or tribal patterns of behavior and orientation that have possible instrumental value for integration into secular social structures. Indeed, the rationale for legitimacy (ancestor worship, tribal mythology, etc.) and the exercise of political authority in traditional Gold Coast society had very little in common with that of the parliamentary system of the British type now being operated by Africans.

Yet we can find patterns in one tribal group or another which lend themselves to modern utilization for the benefit of social reintegration of African societies. Sometimes such patterns do involve chieftaincy, for example, or the modified functions of the "extended" family, which often can be adapted to modern tasks. In Uganda, chieftaincy has proved a satisfactory adaptive social vehicle in the administrative organization of the territory,

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at least in the short run, partly because of the new functions given to the chiefs, and partly because the indigenous patterns of chieftaincy were such that secular functions were not immediately disruptive. On the other hand, a similar attempt to utilize chieftaincy for administrative purposes in the Gold Coast met with failure, contributing to the downfall of the chief's position, and helping to promote nationalism, social reintegration around the leadership of secular politicians, and the development of a national society.

It is difficult to know why something works well in one area and fails miserably in another. For example, why did the Chagga of Tanganyika develop cooperatives more successfully (and without apparent social disorganization) than the peoples of the Northern Territories of the Gold Coast? This in turn brings up larger questions. What are the general prerequisites for local changes in specified directions? How does voluntary participation by Africans in a wide variety of projects develop on a sustained level and what are the necessary sources of stimuli and aid? How can developmental projects be directed toward maximizing effective integration and social regrouping?

The responses of various African groups to the types of alien stimuli with which they have been peppered provide fertile ground for solid field investigation, particularly of an interdisciplinary sort. In intimate, close-knit, formally structured societies such as the Akan groups in the Gold Coast, it would seem that even drastic social and political change is not out of keeping with certain fundamental relational aspects of indigenous social life. In this respect, the Convention People's Party, for example, provides intimacy, a sense of identification, symbolic unity, and valued shared goals, functionally related to those formerly provided within the tribe, although the structure and purposes of the CPP are of a different order from those of tribal organization. In many striking ways, the Messiah-like leadership of Dr. Nkrumah, the Life Chairman of the party and the Prime Minister of the Gold Coast, performs symbolic functions once provided by chieftaincy in the more local purview of the tribe. Traditional qualities of interpersonal tribal relations have been shifted to

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the larger focus of the political party, which affords national rather than local identification, while preserving the immediacy of personal leadership within a newly developed parliamentary setting. Can one expect similar performances in areas where less formal organization and more atomistic concrete tribal structures have preceded the introduction of Western social patterns?

Such questions urgently need examination if knowledge regarding race and politics is to be appreciably enhanced. For example, racial conflict is often based less upon pure prejudice than upon cultural differences between Africans and Europeans, particularly in East and Central Africa. The apparently self-perpetuating biases that affect the politics of Kenya need far more careful study than is evident in these volumes or, to be sure, is found in current literature on Africa. It does little good, from the standpoint of social analysis, to tick off the number of Africans elevated to legislative councils or other conciliar organs, as has been the wont of both journalists and academic observers. To treat that factor as an index of political development can be misleading, since we are prone to consider it an indication of a degree of social integration and consensus which may in fact be lacking.

Apathy and anarchy are the two poles between which efforts toward the peaceful development of social consensus are possible. In their attempt to maintain a system of social organization in order to develop greater integration within a political unit, colonial officials are in the difficult position of simultaneously promoting stability and change. They try to hold some factors in a situation constant, while changing others. Given the highly interrelated factors with which they deal, what kinds of constants can be developed with some assurance of predictable results?

Efforts to promote balanced growth and development are constantly hampered by the unexpected complexity of human affairs in so-called "primitive" areas. In one town a slum clearance program and housing project were opposed by local inhabitants on the grounds that the buildings were not designed to support the "extended" family (which often contains up to sixty or seventy members) with communal outdoor kitchens, and because

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the building program would infringe upon traditional notions of land tenure. The venture was charged with being "imperialistic," with consequent emergence of tension and high public feeling. In delicate situations such as this, political extremism is often just around the corner, and muddling attempts to alleviate matters only make them worse.

Very careful analysis is needed to give us insight into such problems. One must know the larger implications of structural changes in any social unit. Only where provisions have been made for the adjustment of differences in social organization, in customary and secular law, and in accordance with tribal and non-tribal normative patterns is it possible for social consensus to develop.

One of the larger functions of colonial government lies in efforts to develop integration in various racial and functional communities at local as well as at central levels. To avoid apathy, part of this controlling process involves the activation of various tribal groups toward socially valued goals, whether through attempts to develop cooperatives, to vitalize traditional institutions for more secular purposes, to institute land resettlement, or to accomplish any of the tasks that face governments in underdeveloped areas. Yet, in order to avoid anarchy in situations where an alert population perceives an imbalance between publicly voiced aspirations and realizable opportunities, colonial control processes involve the development of suitable structures of change in which important groups can achieve a host of secondary goals and objectives which multiply out of shifting local conditions and are a response to effective developmental work, whether in economic, social, or political spheres. In these respects, the question of how far European and African objectives can be complementary within the same political unit becomes a basic behavioral problem.

Surely a far more effective strategy, if we are to discuss the real problems of Africa intelligently, is to provide ourselves with a better framework for analysis. The policy questions with which, increasingly, the United States must deal put the larger issues of social change in very bold relief. We need to develop effective

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research schemes, defining precise ranges of research objectives and enunciating careful units of comparison between areas in which assumptions about African and non-African behavior are clearly demonstrated.

We need to gather comparative materials from different colonial territories, developed, at least in part, in terms of a clearly articulated research scheme. What are the significant items in the African picture, and by what criteria do we establish significance? Or do we accept *ad hoc* the assumptions made about Western social and political life and use them for research in Africa?

We need intra-territorial materials, including the basic work of many anthropologists, so that localized findings can be incorporated into any specific study of change and conflict. Without knowledge of indigenous society, as we have indicated, we have no base point from which to begin analysis.

We need close collaborative efforts between representatives of different academic disciplines. Such efforts are still largely unexplored. Stamp's book only underlines the lack of such collaboration. The most effective works yet produced on Africa, such as Lord Hailey's *African Survey*, have been the product of joint efforts by many social scientists. *African Survey* needed collaborative efforts at the level of descriptive data-cataloguing. How much more demanding and complex are the demands put upon scholars for analytical surveys which can match the level of description with substantive qualification!

We will learn far more about Africa from the reports of commissions of inquiry, the dull official documents, the reports of district commissioners, and the debates in the conciliar organs of the colonial territories than we will from volumes such as those we have considered in the present article. Even Stamp's commendable survey, which aims to be more than pure geography, suffers by its treatment of general information. Yet at least Stamp recognizes that the crucial questions about the physical environment of Africa are determined by problems of the African social environment. If his effort is uneven, the fault perhaps lies in the fact that there is still no wider focus of social science available for collaborative efforts.

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TOWARD A THEORY OF POLITICAL PARTIES

By SIGMUND NEUMANN

Ivor Bulmer-Thomas, *The Party System in Great Britain*, 1953, 328 pp.; London, Phoenix House, 25s; New York, The Macmillan Company, $5.00.

Henry Pelling, *The Origins of the Labour Party, 1880-1900*, 1954, 257 pp.; London, The Macmillan Company, 21s; New York, St. Martin's Press, $4.00.

Joseph N. Moody, ed., *Church and Society: Catholic Social and Political Thought and Movements, 1789-1950*, New York, Arts, Inc., 1953, 914 pp. $12.00.

M. G. Lange, *Totalitäre Erziehung* (Schriften des Instituts für Politische Wissenschaft, No. 3), Frankfurt a.M., Verlag der Frankfurter Hefte, 1954. DM 21.80.

Maurice Duverger, *Les Partis Politiques*, Paris, Librairie Armand Colin, 1951, 476 pp. 1,100 fr.

G. E. Lavau, *Partis Politiques et Réalités Sociales* (Cahiers de la Fondation Nationale des Sciences Politiques, No. 38), Paris, Librairie Armand Colin, 1953, 169 pp. 650 fr.

POLITICAL parties are the lifeline of modern politics and yet they have been the stepchildren of political theory, if not of political practice. Only of late, and at last, has the role of the political party entered the center of our professional concern. The studies under discussion represent a beginning of this overdue spadework. Concurrently, they open up several neglected avenues for our concerted research: the detection of rich comparative data on different national experiences, past and present; the delineation of sociological and ideological factors in political movements; and, above all, the development of sharper theoretical concepts. On such a basis, a more systematic framework for this key institution may be conceived. As every sound theory must, such a conceptualization may permit a more meaningful approach to the material analysis of the field.

This awakened interest in political parties is a reflection of a silent revolution that has taken hold of the study of politics. As

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a consequence of it, our concern has turned away from a formal, legal, and institutional approach to a consideration of political dynamics. The new emphasis indicates that the established agencies, institutions, policies, and procedures have undergone fundamental changes and call, therefore, for reconsideration, reappraisal, and redefinition.

Political parties are of critical significance. In democracy's politics, they are fought over daily, not only in election years (and surely there is always an election year somewhere!). Their very existence is challenged by dictatorship's monolithic controls, which are garbed in party disguise. Moreover, in the twilight zones of our two-power world, political parties are being tested in numerous attempts at democratic renewal in areas as far apart as Germany and Japan, Italy and India, Southeast Asia and the Near East. It is through the nexus of political parties that the manifold character and dynamic life of the different continents can be revealed. In fact, the overwhelming conflict between the two giant blocs in the bi-polar world is epitomized in the two contrasting systems of party organization, the loyalties they command, the relationship they spell out between leaders and followers, and the policies they articulate in this age of international civil war.

The British parties have always served as the ideal type of the functioning two-party system and its stable point of reference. Yet, strangely enough—or possibly for this very reason—they have rarely been studied, and, if at all, primarily by non-Britishers such as A. L. Lowell (who, incidentally, in his classic *The Government of England* gave them only a limited consideration in relation to other institutions, more central in his view). In fact, one has to go back more than half a century in order to find Ostrogorski's *Democracy and the Organization of Political Parties* (London, 1902) raising fundamental questions in a systematic and critical treatise. In the eyes of the indigenous people, what was not problematical did not seem worth studying. It was simply taken for granted.

Does the sudden appearance of a number of books on British

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parties indicate a crisis in the established system, or at least some doubts about its basic tenets? The British party system surely has undergone fundamental changes since the days of Lord Bryce and the unquestioned rule of the Tory-Whig pendulum—which Hilaire Belloc and Cecil Chesterton described in a series of brilliant paradoxes as "an elaborate sham of the two front benches, united in many cases by the ties of blood and marriage, in their determination to keep in existence the same type of society, a type of society from which they both benefited."

Bulmer-Thomas' recent study, *The Party System in Great Britain,* takes full account of this changed landscape.[1] By virtue of his own political career, he personifies the new forces in the old parties and the radical transformation that those parties have undergone. Having made "the walk across" the House of Commons from the Labor to the Conservative benches, he has indeed a deeper sense of involvement and commitment than have his academic and foreign forerunners among the British party historians. While he may not present a strikingly new picture of the British political system, his essay is lively, knowing, balanced, to the point, and free from partisan bias. At the same time, he gives significant insights, as only a participant can, into the present-day party structure and organization and some valuable new vistas of the precarious plight of the independents in Parliament and of the crucial interrelationship between the parties and characteristic auxiliary political clubs, pressure groups, the press, and religious affiliations. What one might have wished, beyond such self-effacing description, would have been more firsthand information from the pen of a sometimes active participant about the policy-making process in this oldest of democracies and about the tested British formulas, evolved in a twentieth-century pattern, that balance Parliament and Crown, government and civil service, party leadership and electoral following. For that

[1] See also the informative symposium, *Political Parties and the Party System in Britain,* edited by Sydney D. Bailey (New York, Frederick A. Praeger, Inc., 1952; published the same year in London by the Hansard Society, under the title, *The British Party System*). Written by recognized British authorities, it surveys the evolution of the party system and the history, philosophy, and principles of the individual parties. The added discussion of "some problems of the party system" underscores the necessarily inconclusive and preliminary nature of such an introductory volume.

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fuller appreciation, however, one may have to await further concrete research into the makings and workings of the British party system, yesterday and today.

It is not accidental that one of the most rewarding books to come from present-day Britain is a history of the Labor Party's beginnings. Henry Pelling's careful and lucid study, *The Origins of the Labour Party, 1880-1900,* addresses itself specifically to the development of a new political structure in the last two decades of the preceding century. The story definitely proves that the rise of Labor as an independent party resulted in large measure from the unwillingness of the Liberals to allow for an extended Labor representation despite the continuously extended franchise which gave the working class, at least numerically, a decisive weight.[2] What makes this volume by an Oxford fellow especially valuable is the successful weaving-together of lively historical analysis with a broad comparative approach which emphasizes the repercussions of economic changes abroad as well as the effects of Irish home rule. One of the most fruitful contributions of this scholarly effort could be ascertained by confronting its findings with the glittering generalizations of Robert Michels, whose "iron law of oligarchy" has been accepted uncritically as the fundamental concept of a modern sociology of parties. The history of the Labor Party might provide a necessary corrective to the overstated generalization regarding the existence of oligarchical, hierarchic, and centripetal trends in every society. The multiple determinants within the internal party organization of the diverse parties around the globe would show that variations in the characteristic relationship of leaders and followers, the size of organization, the functions of party performance, the degree and nature of

[2] In this connection one ought to consult the carefully executed monograph by Albert Mabileau, *Le Parti Liberal dans le Système Constitutionnel Britannique* (Cahiers de la Fondation Nationale des Sciences Politiques, No. 47, Paris, Librairie Armand Colin, 1953), a fine example of the newly awakened political science in contemporary France. This comprehensive case study analyzes the dissolution of a great political movement in its three stages—from governmental party (1906-1922), to parliamentary party (1922-1935), to a party of opinion (1935-1952), until paradoxically it has lost nearly all political influence and yet has had its principles adopted by the entire nation.

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participation, the party's ability to absorb and assimilate new social strata and to select appropriate leadership could revise radically our evaluation of Michels' formula, expounded with the intense single-mindedness and limited perspective of an erstwhile Socialist, turning Fascist and always remaining the son of the Wilheminic autocratic era.

The proper answer to this crucial question as to the nature and structure of the democratic party organization must be sought empirically and in terms of the extraordinary diversity of historical circumstances, institutional traditions, and national characteristics. Such case studies, using the newer techniques of quantitative and qualitative investigations, have been tackled simultaneously in numerous countries by pioneer workers in the field and by ambitious collective research enterprises. To mention only a few impressive undertakings abroad, one may point to the exemplary Nuffield College (Oxford) studies of the three general elections in postwar Britain, the French Cahiers de la Fondation Nationale des Sciences Politiques, and the publication of the reestablished Deutsche Hochschule für Politik (Berlin) and of the Vereinigung für Politische Wissenschaften.[3] The time may be near when attempts at a tentative drawing-together of such vast and diverse collections may render valuable conclusions for a comparative analysis and may establish a sound basis for an altogether new view of the democratic process. Such

[3] See R. B. McCallum and A. Readman, *The British General Election of 1945*, Oxford, 1947; H. G. Nicholas, *The British General Election of 1950*, London, 1951; D. E. Butler, *The British General Election of 1951*, London, 1952; and the equally impressive monograph by D. E. Butler, *The Electoral System in Britain, 1918-1951*, Oxford, 1953, which, incidentally, gives valuable insights as to the possible effect the much-discussed proportional representation would have had if it had been introduced in Great Britain.

See also C. Morazé and others, *Etudes de Sociologie Electorale*, Paris, 1947; J. Cadart, *Régime Electoral et Régime Parlementaire en Grande-Bretagne*, Paris, 1948; A. Siegfried, *Géographie Electorale de l'Ardèche*, Paris, 1949; M. Duverger, F. Goguel, and others, *L'Influence des Systèmes Electoraux sur la Vie Politique*, Paris, 1950; A. Latreille and A. Siegfried, *Les Forces Religieuses et la Vie Politique: Le Catholicisme et le Protestantisme*, Paris, 1951; G. Dupeux and F. Goguel, *Sociologie Electorale: Esquisse d'un Bilan*, Paris, 1951; F. Goguel, *Géographie des Elections Françaises de 1870 à 1951*, Paris, 1951.

See also Schriften des Instituts für Politische Wissenschaft: No. 1, *Wahlkampf und Machtverschiebung: Geschichte und Analyse der Berliner Wahlen vom 3. Dezember 1950*; No. 2, *Faktoren der Machtbildung: Wissenschaftliche Studien zur Politik;* and Rudolf Wildenmann, *Partei und Fraktion.*

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a rich harvest of research ought to be of the greatest significance for the developing field of parties and political sociology in the United States as well.

Added depth to party analyses may be derived from another approach which has gained momentum in recent years: the study of ideological forces. Such a direction may become imperative for a proper evaluation of the international aspects of parties as they reach out beyond state boundaries with their organized Internationals. Little reliable material is available on these international ties and reactions, and the less known, the more make-believe, rumor, and mystery enter the speculations of troubled citizens. Yet, in our time, when the frontiers between domestic and international affairs are blurred and revolutionary upheavals, destroying the stability of a prevailing social structure, are reaching beyond national compounds, political parties tend to become international forces that must be studied, even (and especially) when they shun daylight and, like an iceberg, allow only a small portion of their power to appear on the global surface.

In order to make the study of ideologies useful for political analysis, we must move beyond doctrinal or formal party program analysis into the area of party behavior. Such an examination will find that the accustomed classification of political movements in terms of conservatism, liberalism, socialism, Communism, Catholicism, etc., is misleading, to say the least. Not only have innumerable combinations such as National Bolshevism, liberal conservatism, conservative socialism, and People's Democracy confused the political fronts, but the fundamental concepts themselves have shifted their original meaning under the impact of a radically changing society. One may even doubt the simple confrontation of right- and left-wing radical movements. Historically, "radical" groups such as the *Parti Radical Socialiste* have been pushed to the right under the pressure of newly appearing leftist movements. At the same time, frequent attempts at bridging extreme right- and left-wing organizations point to at least short-run tactical combinations among deadly political opponents.

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The proper recognition of these difficulties should not lead to an easy and complete dismissal of the concept of ideology, as is frequently recommended by shortsighted "realists" in politics. On the contrary, ideologies cannot be taken seriously enough in a period of spiritual crisis, when the underlying unity of the Christian-European tradition is challenged by a counter-church, when uncompromising conflicts along rigid political fronts are threatening, and when the drive for fundamental reorientation is of primary importance in the final line-up of the peoples—at least wherever they still remain free to choose.

Ideologies are the key to an understanding of the long-range strategy behind the day-by-day tactics of political movements. The means of international tactics are subservient to the ends of the axiomatic political religions. In such a world setting, ideologies have become the most powerful weapon in international politics; and even their ambiguity has proved to be a potent factor in the political orientation or misdirection of a confused world society.

There is no Communist monopoly on world-wide planning, regardless of how spectacularly and noisily the Third International (Comintern or Cominform, as the case may be) has claimed a unique and unchallengeable position in this global battle of the mind. The contestants in this field run the whole spectrum of the color scheme. In fact, the basic character of any party may well be inferred from its international behavior.

The numerous studies of Soviet politics and society have opened up a mine of information and new insights concerning the concept, character, and strategy of dictatorial parties, although they also reveal our lasting difficulties in obtaining reliable data.[4] Practically nothing, however, has been known about the far-reaching effects of the Holy See's world-wide policies. For this reason, one must welcome the monumental study, *Church and Society*, which, under the able editorship of Joseph N. Moody, has brought together an impressive series of essays after

[4] Cf. the outstanding contribution of Merle Fainsod, *How Russia Is Ruled*, Cambridge, Mass., 1953; and see also the latest thought-provoking study by Barrington Moore, Jr., *Terror and Progress—USSR*, Cambridge, Mass., 1954.

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several years of careful cooperation among the authors.[5] Despite the magnitude of the effort, it is not just false modesty on the part of the editor when he states that this "short study" (of some 900 pages!) represents only an opening survey of "the social and political activity of Catholics and their efforts to erect a theoretical structure that would satisfy the demands of their traditions amid the pressures of the age of secularization." For this is an exploratory volume, presenting a number of significant "case histories" of diversified national character which may answer a great number of crucial questions on the interrelation between Church and politics. They may help in delineating the Catholic dogma vis-à-vis liberalism and democracy in view of the fundamentally conservative nature of the Church. Of equal importance is the varying relation of the Church to nationalism in different regions (compare Ireland and Poland with the former Austro-Hungarian monarchy). Much can be learned from this volume in respect to nations where Catholicism has been in a minority position, as shown by the excellent study by Edgar Alexander on "Church and Society in Germany," which outweighs all the other contributions not only in size, but also in penetrating depth of analysis.

Alexander's essay, which is soon to appear in an enlarged version in a separate German edition, represents a definitive appraisal of German Catholic thought, paired with a sharp sense of political realities and a fruitful systematic philosophy. It shows the Church as a school of politics supreme in the mastery of the possible, striking a balance between tradition and social realities, especially in countries lacking genuine political training. It thus explains the extraordinary and characteristic role played by the Center Party and by Catholic leaders from Windthorst to Adenauer. As with all the other chapters of the book, a good selection of basic documents gives substance to the narrative. In fact, it makes the volume an indispensable encyclopedia on Catholicism as a political force, national and international.

An altogether different picture of ideological infiltration is

[5] See also Waldemar Gurian, ed., *The Catholic Church in World Affairs*, Notre Dame, Ind., 1954.

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presented in M. G. Lange's *Totalitäre Erziehung*, an exemplary case study of the educational system within the German Soviet Zone. The book represents more than the title may indicate. Indeed, it is a major firsthand contribution to our still limited knowledge of modern totalitarianism. One might wish it could have made more use of the correspondingly extensive literature abroad, although the thoughtful introduction of A. R. L. Gurland puts this exacting *enquête* into the appropriate world-wide frame of dictatorial public opinion control in all its national variations.

The variant under discussion is of special significance not only on account of the Reich's crucial position—buffer, bridge, or battlefield—in this bi-polar conflict, but even more because of Eastern Germany's unique position within the Soviet orbit. Developed against the backdrop of military government and a divided Reich, it has for that very reason not yet reached the complete status of a satellite nation. Moreover, its unfolding can be watched—the Iron Curtain notwithstanding—especially from that vantage point, Berlin, the quartered city, which is at the crossroads of two worlds. The author is one of those who dared to walk across. A former academician and leading educational writer in the Soviet Zone, he may well encounter the suspicion of his newly chosen compatriots, although it is only due to these past involvements that he can tell the story that must be told of the dictators' systematic attack on the minds of the ruled not only by terror and institutional *Gleichschaltung*, but even more effectively by mass persuasion. "Education in uniform" becomes a most potent weapon for the consolidation of autocratic control, especially among the crucial, impressionable youth. Lange's rich presentation of the structure and operation of Sovietized education gives a "model" of a manipulative society, with its frightful consistency and its dire consequences of total politicization and mobilization through "education."

Lange's book may also do away with many oversimplifications concerning a dictatorship's independence of popular support and with optimistic misjudgments about its inability to find roots among the masses. At the same time, the study rightly points to

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the fundamental transformation of the SED from a democratic mass organization to a "cadre party" with its characteristic centralist leadership apparatus. In fact, survival of the system may well depend on its ability to recruit an intellectual elite of true believers.[6] Erosion of the unquestioned *raison d'être* of their ideology may therefore (contrary to the prevailing strategy of psychological warfare) be the most effective anti-totalitarian weapon.

Confronted by the all-out attack of the totalitarian one-party state, democratic parties must reconsider their fundamental character, structure, and strategy. It is in such a time of crisis that the sciences of man and his decisions (those "sciences of ethics" in the significant classical terminology) must recapture the changing meaning of the concepts, institutions, and values that we live by. This is the hour for a meaningful theory of party.

The first round has characteristically been fought out in France, which in political theory (alas, in theory alone!) has shown since World War II amazing vigor and ingenuity. A controversy in the grand style, with all the eloquence and elegance of the French *hommes de lettres* (symbolized by the victim's magnanimous preface to his attacker's book), has presented the case: Duverger vs. Lavau.

Duverger's study, *Les Partis Politiques*, has aroused more serious discussion in the field than any book since that of Robert Michels. This alone would justify his endeavor. But, in addition, his is an important contribution. Robert Michels is Maurice Duverger's godfather and, like Michels, Duverger may be a disillusioned disciple of Rousseau. The discovery of differentiation between leaders and followers in political parties and even the realization that popular government is not the rule of the people, but the free choice between at least two sets of ruling classes, do not spell the end of dynamic democracy. Yet they put

[6] In this connection, special mention should be made of the excellent study, "Das Problem der 'Neuen Intelligenz' in der sowjetischen Besatzungszone. Ein Beitrag zur politischen Soziologie der kommunistischen Herrschaftsordnung," by M. G. Lange, Ernst Richert, and Otto Stammer. It could indeed be regarded as the center piece of a fine collection of essays in the Festschrift, *Veritas, Justitia, Libertas*, presented to the Columbia University Bicentennial by the Freie Universität Berlin and the Deutsche Hochschule für Politik (Berlin, 1954).

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Michels on the road to dictatorship and Duverger to exclusive emphasis on formal structure as a key to party behavior, with an unrealistic disregard of social mass basis and ideological commitments. What Duverger has to say in the course of his arguments, however, is impressive in its statistical array of data, most rewarding in the issues raised, and, best proof of its values, it is an open sesame for fruitful research.

Structure, indeed, can give an important clue to divergent party developments despite similar programs. To mention only one point, the mere existence of a two-party system will no doubt have a decisive influence on the character of leadership, public opinion, and policies, often diametrically different from their fate in multi-party situations. But whether these divergences are the direct and primary consequence of structure may well be doubted. The anatomy of parties is no substitute for a deeper analysis of the living body politic. It might be interesting to raise the question whether Duverger's reluctance to recognize social alignments could be a reflection of widespread attitudes in France, which in turn would explain her frequent ideological divorce from realities and basic failures in her concretizations of politics. Lavau calls this phenomenon "La mystification politique" in his extraordinary essay on his native country. This study, originally published in *Esprit* (March 1953), is one of six national analyses intended to disperse Duverger's structural generalization.

In his extremely concise treatise, *Partis Politiques et Réalités Sociales,* Lavau persuasively presents a multi-causal approach and, as he set out to do, a "contribution to a realistic study of political parties." By putting them justifiably into the whole context of a particular national society, he effectively disputes Duverger's thesis as to the basic formative power of the various electoral systems. He accomplishes this by presenting the altogether different patterns of the two-party systems of the United States, Canada, and Great Britain, the varied success of which is spelled out in terms of historical and political factors and confronted with the multi-party systems of Sweden and Switzerland,

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where national unity is essentially the function of an accepted pluralistic base.

When Lavau arrives, however, at a wholesale rejection of a conceptualizing political science because of the uniqueness of each concrete national expression, he reverts to the age-old and fruitless confrontation of history and the social sciences which has worked to the detriment of both. The real issue at stake is the formulation of a political theory that is fully aware of the historicity of all its concepts, which will therefore have to be redefined in terms of their specific situation in time.

Modern parties have steadily enlarged their scope and power within the political community and have consequently changed their own function and character. Instead of a party of individual representation, the contemporary society has produced increasingly a party of social integration. This shift must be seen within the context of our changing society and its underlying philosophy. Three major stages can be observed in its development. Modern parties originated from the drive of a rising, self-conscious middle class that fought for liberation from the shackles of a feudal society and for representation in order to check monarchical absolutism. While the French Revolution officially proclaimed the end of this first phase, the successful emancipation of rational man from the bonds of the *ancien régime* and its caste system proved to be only a transitional stage. The individual, set free, was soon striving for reintegration into a new society. In fact, since the middle of the nineteenth century a variety of claims have been made to the possession of a new orientation that would stop the fragmentation of a laissez-faire society. The first and lasting challenge of rising socialism, the emergence and appeal of political irrationalism, and an awakening social liberalism gave contrasting answers to this key issue of our century. The dislocations caused by sweeping industrialization, radical urbanization, and international migration, by world wars and total revolutions, gave justification to a planned search for a new social order. We are still in the midst of this third phase. It constitutes the crisis of modern society.

It is against this background of crisis that a new concept of

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party is evolving. Its emergence and persistence, in fact, may well depend on the character of the social crisis. The well-balanced communities of the Scandinavian states seem to be least affected by this new type of party, while it has found its most complete expression within nations in the grip of revolutions. The islands of social equilibrium have shrunk, however, and the party of integration has become a salient feature of our contemporary landscape.

The party of individual representation is characteristic of a society with a restricted political domain and only a limited degree of participation. The membership activity is for all practical purposes circumscribed by balloting, and party organization (if it exists at all) is dormant between election periods. Its main function is the selection of representatives who, once chosen, are possessed of an absolutely "free mandate" and are in every respect responsible only to their own consciences. This conception of an ephemeral party as a mere electoral committee does not correspond to the political reality and practice of the modern mass democracy, a fact which in many countries has been recognized (though often most reluctantly) in the crucial controversy over party discipline, and even in numerous court decisions, codifying party regulations, responsibilities, and prerogatives. The fundamental concept of party, however, has hardly been challenged within democratic thinking.

Under cover of such a persistent framework, and rarely perceived even by circumspect political observers, a new type, the party of integration, has slowly developed. The claim with which this party approaches its adherents is incomparably greater. It demands not only permanent dues-paying membership (which may be found to a smaller extent within the loose party of representation), but above all an increasing influence over every sphere of the individual's daily life.

The first example of such a new party was presented by the continental Socialists. Jokingly, their organization has been characterized as extending from the cradle to the grave, from the workers' infant-care association to the atheists' cremation society; yet such a description articulates the party's intrinsic difference

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from the liberal party of representation, with its principle of "free recruitment" among a socially uncommitted, free-floating electorate (the bulk of which in reality may not be as independent as supposed). The following of the new movement is, indeed, much more clearly circumscribed by its permanent membership, the definite class alignment of its voting population, and the far-flung participation in over-all social affairs. Fluctuation among its voters hardly extends beyond 10 per cent. The party can count on its adherents; it has taken over a good part of their social existence.

Despite such extensive organization and intensified ties with its partisans, the Socialist party (and, in an even more limited way, the Catholic movement and other democratic parties of integration) has only a small active core within its wider circle of mere dues-paying members and its even greater number of mere voters. In fact, this differentiation is at the base of the much-disputed "oligarchical" tendencies of modern mass parties, which permit a relatively small group to decide the political fate of the disinterested and apathetic majority. Still, what is important is that the party in modern mass democracies has generally taken on an ever-increasing area of commitments and responsibilities, ensuring the individual's share in society and incorporating him into the community. This is no mere usurpation of power by the politicians, but the natural consequence of the extension of the public domain in a reintegrated society.

In this sense, the phenomenon of the party of democratic integration has become a matter of record. This fact makes it the more imperative to recognize its basic variance from the party of total integration, which has found its prototype in Bolshevism, Fascism, and National Socialism. This all-inclusive party demands the citizen's unconditional surrender. It denies not only relative freedom of choice to the voters and followers, but also any possibility of coalition and compromise between parties. It can perceive nothing but total seizure of power, undisputed acceptance of the party line, monolithic rule. The rise of this absolutist police state foreshadows the end of democracy, of

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constitutionalism, of communal self-government, of political parties, of Western man and his inalienable rights.

This radical juxtaposition should forewarn the responsible student of modern mass society against the threat of party petrifaction, but such a mortal peril cannot be met simply by a denial of the extended functions of modern parties and indeed of their radically changing character. The choice is not between the absolute state and the absolute individual, between autocracy and anarchy, as the great simplifiers and political demagogues would have us believe. On the contrary, constructive thinking must concentrate on the much more difficult and urgent task of calling for political institutions that allow for a new adjustment between integrated society and individual freedom. It is within such a realistic delineation of the fundamental prerequisites, present-day responsibilities, and necessary safeguards of a democratic society that the sociology of modern parties must be reexamined.

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